


CA20N
XC26
-E77

GOVT



Digitized by the Internet Archive
in 2022 with funding from
University of Toronto

<https://archive.org/details/31761115492183>



**Legislative Assembly
of Ontario**
Fourth Session, 37th Parliament

**Assemblée législative
de l'Ontario**
Quatrième session, 37^e législature

**Official Report
of Debates
(Hansard)**

**Journal
des débats
(Hansard)**

Wednesday 21 May 2003

Mercredi 21 mai 2003

**Standing committee on
estimates**

**Comité permanent des
budgets des dépenses**

Committee business

Travaux du comité

Chair: Gerard Kennedy
Clerk: Trevor Day

Président : Gerard Kennedy
Greffier : Trevor Day

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Copies of Hansard

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Exemplaires du Journal

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.

Hansard Reporting and Interpretation Services
3330 Whitney Block, 99 Wellesley St W
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
3330 Édifice Whitney ; 99, rue Wellesley ouest
Toronto ON M7A 1A2
Téléphone, 416-325-7400 ; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 21 May 2003

Mercredi 21 mai 2003

The committee met at 1613 in committee room 1.

COMMITTEE BUSINESS

The Vice-Chair (Mr Alvin Curling): May I call the estimates meeting to order? Let me just read our proceedings here. We're called to order for us to be considering—

Mr Ted Chudleigh (Halton): Mr Chair, may I make a motion? Since this has only just been introduced in the House and we're really not prepared to look at ministries at this point in time, I'd call for an adjournment of this committee.

Mr John O'Toole (Durham): I second that motion.

Mr Chudleigh: I think "All in favour" is the next—

The Vice-Chair: The Liberal members are not here, you see. I want to put the question, but the members of the Liberals—

Mr O'Toole: I'll sit in the chair and you can—

Mr Frank Mazzilli (London-Fanshawe): They've got bigger issues to deal with than this.

Mr Chudleigh: But it doesn't matter. The four of us are here.

The Vice-Chair: You mean to say that the majority is there, right? OK, let me put the question. You've asked

that we have an adjournment. Do you want to put a date to that? Next Wednesday?

Mr Chudleigh: The Chair is perfectly capable of calling another meeting whenever he wants. He did it with very, very short notice today, with no notification to us.

The Vice-Chair: So I presume it's a straight adjournment until Tuesday?

Mr Michael Prue (Beaches-East York): I don't know; I'm prepared to proceed. The majority says no? I already know what we want.

The Vice-Chair: The question then is that we adjourn until the call of the Chair for the estimates.

Mr Chudleigh: That would be good. Next Wednesday would be good.

The Vice-Chair: The call of the Chair could be—are you changing the motion to Wednesday?

Mr Chudleigh: Whenever you like. Next Wednesday, the call of the Chair—we're magnanimous.

The Vice-Chair: To the call of the Chair; the earliest time is on Tuesday. Is that the consensus of the committee? All in favour? Agreed. It seems that we stand adjourned until the call of the Chair.

The committee adjourned at 1615.

CONTENTS

Wednesday 21 May 2003

Committee business.....	E-1
-------------------------	-----

STANDING COMMITTEE ON ESTIMATES

Chair / Président

Mr Gerard Kennedy (Parkdale-High Park L)

Vice-Chair / Vice-Président

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gilles Bisson (Timmins-James Bay / Timmins-Baie James ND)

Mr Ted Chudleigh (Halton PC)

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gerard Kennedy (Parkdale-High Park L)

Mr Frank Mazzilli (London-Fanshawe PC)

Mr Norm Miller (Parry Sound-Muskoka PC)

Mr John O'Toole (Durham PC)

Mr Steve Peters (Elgin-Middlesex-London L)

Substitutions / Membres remplaçants

Mr Michael Prue (Beaches-East York ND)

Clerk / Greffier

Mr Trevor Day

Staff / Personnel

Ms Anne Marzalik, research officer
Research and Information Services

E-2



E-2

ISSN 1181-6465

Legislative Assembly of Ontario

Fourth Session, 37th Parliament

Assemblée législative de l'Ontario

Quatrième session, 37^e législature

Official Report of Debates (Hansard)

Tuesday 27 May 2003

Journal des débats (Hansard)

Mardi 27 mai 2003

Standing committee on estimates

Committee business

Comité permanent des budgets des dépenses

Travaux du comité



Chair: Gerard Kennedy
Clerk: Trevor Day

Président : Gerard Kennedy
Greffier : Trevor Day

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Copies of Hansard

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Exemplaires du Journal

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 27 May 2003

Mardi 27 mai 2003

The committee met at 1548 in room 228.

COMMITTEE BUSINESS

The Chair (Mr Gerard Kennedy): Welcome, members, to the first session of the estimates committee for this session. As you know, we're here at the first meeting—

Interjection.

The Chair: I beg your pardon?

Mr Ted Chudleigh (Halton): I was just welcoming the Chair.

The Chair: Thank you, Mr Chudleigh.

We're also mindful that this meeting has a very specific purpose: basically the selection of ministries. Just for the benefit of all members, I understand you've got a copy of the standing order that lays out what needs to be done. Each of the three parties will select one or two ministries, in two rounds, beginning with the official opposition, followed by the third party and then the government.

In the first round, the official opposition can select one or two ministries, for a total of 15 hours. If they select one, then that ministry is reviewed for 15 hours. If they select two, then it's a combined maximum of 15 hours, with the division as indicated by the official opposition. It works the same way for each of the two rounds for each of the parties. The ministries that have not been selected are deemed to have been reported back to the House.

I think everybody is aware that this committee has the unique function of looking into the details of the spending plans of the government. I'm sure they will take that charge seriously as they go about making their choices here today, as these are the only ministries we get to look at in that detail.

The ministries are all deemed to be concurred in the House by the third week of November this year, at which time we make a report on what we've selected and what we've considered.

Without further ado, I would like to turn to the representatives of each of the parties and ask them which ministries they would like to select in the first round. I'll begin with the official opposition.

Mr Steve Peters (Elgin-Middlesex-London): Finance, five hours; Education, 10.

The Chair: And for the third party, Mr Prue.

Mr Michael Prue (Beaches-East York): Energy, for 15 hours.

The Chair: And for the government?

Mr Norm Miller (Parry Sound-Muskoka): Training, Colleges and Universities.

The Chair: For what number of hours?

Mr Miller: Three hours.

The Chair: You have a second selection for 12.

Mr John O'Toole (Durham): The second selection is Enterprise, Opportunity and Innovation.

The Chair: For 12?

Mr O'Toole: Three hours for the Ministry of Enterprise, Opportunity and Innovation.

The Chair: I just want to be clear. You can make two selections. The total amount is 15 hours. You can divide them any way you want between the two ministries, but they have to add up to 15.

Mr Chudleigh: Half and half.

Mr O'Toole: OK, we'll have half and half.

The Chair: So 7.5 and 7.5?

Mr Chudleigh: Sure.

The Chair: So the government is indicating 7.5 hours for Colleges and Universities and 7.5 hours for EOI.

Mr Chudleigh: Enterprise, Opportunity and Innovation.

The Chair: Enterprise, Opportunity and Innovation, with apologies to the minister.

Interjection.

The Chair: I'm advised by the clerk that the wording is such that it says "not more than 15 hours." If you only wanted to use six of your 15 hours, you would be able to do that. I don't want to give you a misdirection in that respect.

Interjection.

The Chair: But on revision, you'd like it to be 7.5 and 7.5.

We now have the second round of selections, and it starts again with the official opposition.

Mr Peters: Agriculture and Health; 7.5 for each, please.

The Chair: OK, Agriculture and the Ministry of Health—in that order?

Mr Peters: Correct.

The Chair: Each for 7.5 hours. OK.

Mr Prue for the third party.

Mr Prue: Municipal Affairs for 7.5 hours; and Community, Family and Children's Services for 7.5 hours.

The Chair: Now to the government party.

Mr Frank Mazzilli (London-Fanshawe): For the second round, I'd certainly like to call before us Consumer and Business Services for 7.5 hours.

The Chair: And the second selection by the government party?

Mr Chudleigh: Citizenship, 7.5 hours. I'm looking forward to having a go at them, I can tell you.

The Chair: I want to thank all members for their submissions today.

Mr Peters: Before the meeting is adjourned, could we check and see that all questions from the previous estimates have been answered? It seems to me there may be some outstanding issues from the Premier's Office. I could be wrong.

Mr Mazzilli: That report has been tabled.

The Chair: We will ask the researcher to reconcile if answers have been received. As you may know, it's a matter of—

Mr Peters: I'd just like to ensure that everything has been answered.

The Chair: We would normally give the ministries time to prepare, so our first meeting would be next Tuesday.

Mr O'Toole: Unless, of course, there's an election.

The Chair: The government members may wish to share some information or insight about that, but we will not sit if the House is not.

Thanks very much.

The committee adjourned at 1554.

CONTENTS

Tuesday 27 May 2003

Committee business	E-3
--------------------------	-----

STANDING COMMITTEE ON ESTIMATES

Chair / Président

Mr Gerard Kennedy (Parkdale-High Park L)

Vice-Chair / Vice-Président

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gilles Bisson (Timmins-James Bay / Timmins-Baie James ND)

Mr Ted Chudleigh (Halton PC)

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gerard Kennedy (Parkdale-High Park L)

Mr Frank Mazzilli (London-Fanshawe PC)

Mr Norm Miller (Parry Sound-Muskoka PC)

Mr John O'Toole (Durham PC)

Mr Steve Peters (Elgin-Middlesex-London L)

Substitutions / Membres remplaçants

Mr Michael Prue (Beaches-East York ND)

Clerk / Greffier

Mr Trevor Day

Staff / Personnel

Ms Anne Marzalik, research officer

Research and Information Services

E-3



E-3

ISSN 1181-6465

Legislative Assembly of Ontario

Fourth Session, 37th Parliament

Assemblée législative de l'Ontario

Quatrième session, 37^e législature

Official Report of Debates (Hansard)

Tuesday 3 June 2003

Journal des débats (Hansard)

Mardi 3 juin 2003

**Standing committee on
estimates**

Ministry of Finance

**Comité permanent des
budgets des dépenses**

Ministère des Finances

Chair: Gerard Kennedy
Clerk: Trevor Day

Président : Gerard Kennedy
Greffier : Trevor Day



Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Copies of Hansard

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Exemplaires du Journal

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 3 June 2003

Mardi 3 juin 2003

The committee met at 1531 in room 151.

MINISTRY OF FINANCE

The Vice-Chair (Mr Curling): We'll commence the review of estimates with the Minister of Finance. I'll just read a couple of things that we should be guided by. We will begin with an up to 30-minute statement by the minister, followed by 30 minutes for the official opposition, 30 minutes for the third party and then another 30 minutes for the government or for the minister to use to reply. Thereafter, the remaining approximately three hours will be apportioned among the three parties in 20-minute blocks.

The vote will be 1201.

The minister, the Honourable Janet Ecker, is appearing. Madam Minister, you have 30 minutes.

Hon Janet Ecker (Minister of Finance): Thank you very much, Mr Chair, to you and to the committee members, for this opportunity to address you as part of the process.

As members know, the estimates for the Ministry of Finance provide the details of our operating and capital expenditures for the 2003-04 fiscal year. They constitute our formal request to the Legislature for spending authority to implement key programs and services.

The estimates are the result of a rigorous business planning process. They were approved by cabinet following a comprehensive review of the ministry's annual and multi-year business plans. They were carefully developed to identify the resources required to implement the government's ongoing priorities and commitments.

In addition to the business plan decisions, estimates also include funding allocations for a number of high-priority initiatives.

Today, I will be presenting an overview of our economic plan to create jobs and growth, to maintain fiscal discipline in the province's finances and to improve the management of taxpayers' money.

The economic plan we've been following is working. We're seeing more than a million new jobs which have been created in Ontario since 1995. This year we will have achieved the fifth balanced budget. We've paid down \$5 billion in debt. We've introduced 225 tax cuts for both individuals and our business community, 17 of them introduced in this year's budget.

I'm going to be identifying some of the key issues we will address going forward as we continue to support job creation, productivity and competitiveness in our economy.

The Ontario that our government inherited in 1995 was in very serious trouble economically. The economy had virtually flatlined. Real per capita GDP had actually declined between 1990 and 1995. Unemployment was high. We were losing jobs to other provinces and to the United States. Public spending and the provincial debt were out of control. Ontario was facing a potential deficit of over \$11 billion, and the provincial debt was growing by \$1 million every hour. Taxes had been rising steadily during the previous decade, driving Ontario investment and job creation to lower-tax jurisdictions. We were becoming uncompetitive with our trading partners. Excessive government regulation and red tape were stifling investment and innovation.

Since 1995, we've been pursuing a very deliberate plan to place Ontario on a different path of growth and prosperity and to keep it there, to keep it on the right track. We've introduced a new set of fundamentals to the fiscal and economic management of the province to do that.

We've taken control of the finances through cutting waste and prudent fiscal management. This has resulted in, as I said, balanced budgets and reduced debt. We focused public spending on key priorities and introduced disciplined management to ensure the most efficient and effective delivery of government programs and services. We've cut taxes to raise personal incomes, to make our province more competitive with our trading partners and to support investment and job creation. We've cleared away unnecessary regulations that were weakening investor and employer confidence and that were crippling investment and initiative.

To date, we have eliminated more than 2,000 outdated regulations. We've introduced balanced and innovative regulatory approaches across the government and improved regulatory protections in a number of areas such as clean water and clean air. A sound regulatory system can do much to promote confidence, efficiency, competitiveness and growth while protecting our health, our safety, the environment and other vital public interests.

We have also implemented measures to increase transparency and accountability of the government's economic reporting, and no doubt the members have noticed

that the estimates book this year looks slightly different from those in previous years.

On April 1 this year, the government spending authority and appropriation control has moved to the accrual basis of accounting. This brings the estimates in line with the provincial budget and public accounts and significantly increases accountability to taxpayers. We made key investments in priority areas to meet the needs of a growing population, to improve the quality of life of our citizens, to build opportunity and to support economic growth.

We have achieved these results by listening to the people of Ontario and by moving forward with a sound plan. For that reason, this year's pre-budget consultations, for example, were on a larger scale than had occurred before. I travelled to 17 communities. I talked with more than 1,300 people across the province seeking their views and their advice. We received more than 450 pre-budget submissions, all of this coming from representatives of groups as wide and diverse as our education sector, our agriculture sector, social services, the business community, the non-profit sector—a wide array of opinions.

The budget reflects the priorities we heard and that we set based on the advice we received, priorities such as continuing tax cuts to create jobs; increasing government accountability for the dollars that we spend; maintaining our focus on priorities such as health care, education, families, strong, safe communities, and preserving prudent fiscal management of the province's finances.

Balancing a budget is a difficult task and it requires a government to consider many competing priorities. However, prudent planning, and being prepared to make difficult decisions actually allowed us to balance the budget in the last mandate ahead of schedule and keep it balanced. This is our fifth consecutive balanced budget, and no other government has balanced five straight budgets in Ontario since 1908. Just as important, we have achieved our commitment to pay down the debt by \$5 billion.

We've all witnessed recently the uncertainty that was in the Middle East that seems to have eased, but we're seeing the impact of SARS affecting Toronto and other communities in Ontario. We've put in place the right fundamentals to help the provincial economy recover from such unexpected events. And while it's still too early to tell what long-term impact SARS will have on our economy, now more than ever is the time to stick to an economic plan that works. The foundation of the strong economic fundamentals we have put in place will help Toronto and Ontario recover much more quickly.

We've announced \$720 million worth of measures to support the health care sector and our front-line employees following the outbreak of SARS. We are also providing aid for the tourism sector, which was something that was announced by my colleagues. In the meantime, the federal government has announced just \$10 million for tourism marketing to help Toronto through this very difficult time, and we do believe they need to be

there for this city, this region, this province with provincial dollars and municipal dollars to help this region recover.

If all levels of government do act together to make these programs work, we will be able to weather the storm and recover quickly from the negative effects of SARS, just as Ontario did after 9/11. Be assured that we will do whatever we can, whatever it takes, to help Toronto and those other communities affected by SARS to recover from this setback.

1540

This year's budget once again demonstrates that we are listening and that we are focusing on the needs of the individuals we heard from during our pre-budget consultations. For example, one of the most important priorities we heard about from people was, of course, health care—the top priority for most Ontarians and, indeed, Canadians. We're responding with a \$27.6-billion investment in health care operating expenditures and \$504 million for capital expenditures.

People told us they also wanted us to focus on education. That's the second—most important issue for most individuals in Ontario. So this coming year we will be investing \$15.3 billion in our public education system. That is the highest level of investment that has occurred in Ontario's history.

We also heard that people want us to continue focusing on tax relief, and we're responding there as well. We are completing our commitment to the 20% reduction in personal income tax by January 1, 2004. This is going to provide about \$900 million in additional tax relief for individuals.

We're also proposing to eliminate the surtax for people earning less than \$75,000 per year on January 1, 2005, and to reduce job-killing capital tax rates by 10% on January 1, 2004. In addition, improvements to the Ontario tax reduction program mean that 700,000 modest-income individuals no longer have to pay Ontario income tax. In virtually every budget, we have removed more modest-income Ontarians from the obligation of paying Ontario income tax.

People have told us they want us to continue managing our finances in a prudent manner, and we are responding to that as well. We've said we will identify and eliminate \$500 million in government waste. We recognize there is much more work that needs to be done, and we are prepared to continue doing that.

In our consultations, people also told us that they want us to continue to support our families, and we have been responding in that area as well. We've proposed a new \$450-million program of tax relief for seniors, the Ontario home property tax relief for seniors program. We estimate that this program would provide an average net saving of approximately \$475 annually for 945,000 senior households. That would be for renters or owners.

Also, to help friends and relatives struggling with the challenge of caring for aged and dependent family members, we've proposed that the value of Ontario tax credits for caregivers be increased and extended to

include infirm spouses and more infirm dependent relatives who are actually living in their own homes.

In addition, tax assistance for individuals with disabilities would be increased to provide greater recognition of their circumstances. This increased tax support would provide annual benefits of \$50 million to about 165,000 family caregivers and people with disabilities, providing average savings of about \$300 each.

I can assure you that we will continue to focus on the priorities of the people of Ontario, continue investing in those priorities and continue to listen to and hear the concerns of Ontarians as we move forward.

Our government recognizes the importance of being accountable to the people of Ontario by spending their tax dollars wisely. Our tight discipline in the management of taxpayer resources has played a key role in Ontario's turnaround, and I'd like to highlight a number of those initiatives.

Throughout the past eight years, as I've said, we've focused on the priorities that mean the most to our citizens, while finding savings in non-essential programs and more efficient operations. The result has been that, excluding the priority areas of health care and education, real program spending per person has been reduced by close to 30% since we took office.

We are taking several initiatives to support better planning, to make government more transparent and to improve our accounting practices and enhance accountability. For example, we delivered the budget before the start of the fiscal year, something that our funding partners—

Laughter.

Hon Mrs Ecker: The Liberals laugh, but it's something that our funding partners have asked governments to do for many years. I know they may not think it's important to listen to these concerns of our funding partners, but we do.

We've committed to three-year base funding for hospitals, school boards, colleges and universities to try to provide a more stable and sustainable funding base for them, while recognizing that the government and our partners will need to work together to manage the risks, improve service and enhance accountability.

Based on experience that we have seen in other jurisdictions, and as recent events have reminded us, it will be important that multi-year base funding arrangements strike a balance between providing increased stability and retaining the appropriate flexibility to respond to changes in economic circumstances and strategic priorities. This spring's budget has taken further steps in this direction.

To help ensure the efficient and effective use of taxpayers' money and a more accountable government, we are implementing measures to help improve the government's accounting and budgetary processes.

In addition, we are beginning to depreciate, for example, tangible capital assets in the same way that business does. Reporting capital assets in the same way businesses do helps us to determine the true cost of services. We're also replacing the many cash-based

accounting systems across the government with IFIS, the Integrated Financial Information System.

I know the processes that government follows are not exactly riveting for taxpayers, but they are very, very important steps to allow us to continue to be accountable and to manage the money in the best way possible. I think the financial information system is going to provide all ministries with tools for better planning and more accountability, which is a good thing.

As I said, all of these measures will lead to increased transparency in government operations and more accountability to taxpayers in our stewardship of their tax dollars.

Another important aspect of good management is ensuring that tax revenues are collected both efficiently and effectively, and as the members here will know, the Provincial Auditor had expressed some concerns about the ministry's ability to do this. I'm pleased to advise the members of the committee that we have taken his concerns and recommendations very, very seriously. We've commenced the implementation of a new action plan to ensure that when it comes to the corporate sector, our tax revenues are collected in a timely fashion—one of the principles we will observe is that all those who owe tax should pay tax—and that all corporations which are required to file Ontario tax returns and what are called Exempt from Filing declarations fulfill their responsibilities by filing these documents as required.

In February, under our plan to improve tax compliance, we announced that we will actually be cancelling the charters of companies that consistently are not filing tax returns or other declarations as they should. To that effect, notices have been sent to all corporations in Ontario which have not filed their returns and other declarations. Those notices have requested them to immediately file the required documents and remit any outstanding tax payments that may be owing.

If companies are not complying with those notices to file, we have the ability to cancel charters, and the implications of that—they're quite significant if that were to occur—would include, for example, the forfeiture of corporate assets to the crown, the loss of limited liability and insurance coverage, the inability to claim tax losses, a number of steps that would be lost if we were indeed to take away the charter of corporations that do not pay tax. It's a serious step, but I think that in this case the principle of what we are trying to achieve is very important.

The government also requires corporations that file tax returns late and have taxes due to pay a penalty of up to 17% on the outstanding balance, which can escalate to 50% for repeat late filers. In addition, directors of corporations may be prosecuted for failure to file and fined \$200 per day. So there are some significant penalties in place here.

These measures are part of the government's ongoing efforts to improve the integrity of the tax system. In recent years, for example, these steps have included the creation of a new compliance unit and the hiring of addi-

tional staff to enforce compliance. So there have been a number of steps that have been taken to ensure that all of those who owe tax, whether individuals or our business community, do indeed pay that tax—everyone pays their fair share. Because if they're not paying tax, it's not money they're robbing from the government; it's money they're robbing from other taxpayers.

1550

Because of the discipline, as I mentioned before, that we've brought to public spending, because of the tax relief that we've provided to individuals and our businesses, especially small business, because of the resulting economic growth, our provincial tax revenues have actually increased by \$16 billion since 1995. This money has enabled us to reduce debt and to invest in the priority programs that I mentioned, programs like health, like education, that support not only our economic prosperity but also the quality of life in our communities.

I mentioned our commitment to health care: the operating spending in the current fiscal year of \$27.6 billion, and that's an increase, I should note, of \$1.7 billion over last year. Our total health care spending, when you look back to 1994-95 when this started, is actually \$10 billion more than what it was in 1994-95, so a very significant increase in the investment while Ottawa is giving us only \$1.3 billion more than they did in 1994-95. Those investments have had a positive impact on communities across Ontario in many measurable ways.

We're improving access to diagnostic equipment: for example, MRI machines, an important diagnostic tool for our physicians and nurses. When we started in 1995-96, there were approximately 12 of these machines in Ontario; it's up to 42, and that's 30 more MRI machines benefiting patients all across the province.

A total of 20,000 new long-term-care beds are coming on stream, and an additional 16,000 beds are being renovated to bring them up to standard. Again, those are improvements that are happening in our communities across the province. For example, I and my colleague Dan Newman, the minister for long-term care, had the privilege of opening one of those facilities in Durham region, a great state-of-the-art facility that I think all of us would be quite comfortable having either ourselves or a family member living in. So not only are new long-term-care beds coming on stream, but also additional beds renovated to standard, older facilities to an appropriate standard.

The number of nurse practitioners is being doubled. We're focusing on northern and underserved areas. We've substantially increased our support for hospitals. As I said, we've committed \$3.3 billion to expand, modernize, build new hospitals. These commitments, for example, include three completely new hospitals being built in Thunder Bay, North Bay and West Parry Sound—very significant improvements. We've invested to increase access to dialysis services, cardiac care, cancer care.

As I said, we have increased the financing of health care significantly, but for Ontario and other provinces

across the country it is a challenge to do so. Again, just to look at the statistics to make the point, in 1995-96, health care operating spending was approximately a third of our total program spending, and in this fiscal year it's expected to be almost half of our program spending, so a significant increase. We all know the history of health care financing in Canada, but it bears repeating. Over time the federal government has reduced its share of health spending from its original 50% down to 18% in 1994-95, and further to today's level actually of only 14%. We've made up this shortfall, while addressing important priorities.

One of the areas where we are increasing investment, despite the pressure of health, is in public education, where we've increased from \$12.9 billion to \$15.3 billion in the upcoming school year. In 1995, we knew that public education again was in serious need of renewal and reform. We knew that our students were not getting what they needed to succeed and so, by investing in a new, more rigorous curriculum with higher standards, province-wide testing to chart our progress, improvement strategies that respond to test results, comprehensive standards for teachers' professional development and performance appraisal—through all these things—we have been raising student achievement and we're seeing that our students' test scores are moving up in year-over-year provincial comparisons and in national and international rankings.

We're also expanding our colleges and universities as part of our comprehensive plan to accommodate increased enrolment. We've made a historic \$2.6-billion investment to increase new student spaces by 135,000.

But it's not simply health and education; it's also helping Ontario's economy to be one of the top performing jurisdictions for innovation. We provided an estimated \$2 billion between 1997 and 2001, to encourage research excellence, commercialization and partnerships between industry and research institutions. For example, \$2 billion in support of innovation is expected to lever an additional \$4 billion in investments in our R&D industry. These investments are creating the innovative products and services of the future that will enable Ontario to succeed in the global economy.

We're also investing in infrastructure, and we've asked SuperBuild to achieve a target of investing at least \$20 billion in infrastructure over five years. We're up to \$15 billion so far. That's 4,000 capital projects for hospitals, highways, transit, universities, colleges and local community infrastructure—an incredibly important support for our communities.

Recognizing the key role that municipalities play in building economic growth in their communities, we have also introduced tax incentive zones to enable communities to break down barriers to growth by building on local competitive advantages. We have announced a tax incentive zone to encompass all of northern Ontario. These zones—there will be others coming—are designed to encourage both large and small businesses to invest and expand in small and rural communities. Eligible

businesses located in northern Ontario would not be required to pay provincial business education tax, capital tax or employer health tax. These tax incentives will be in place for about 10 years, beginning January 1, 2004.

We also launched this year the first-ever issue of tax-exempt bonds, the Ontario opportunity bonds. This is part of the substantial support for municipal infrastructure that we're providing. Ontario opportunity bonds are a key element of our Smart Growth plan, to ensure that as the province grows, all communities have modern and efficient infrastructure to maintain and improve quality of life in Ontario. The public response has been very positive. Sales have surpassed \$300 million, and we expect to announce the first set of loans to municipalities in the near future.

We have also made significant changes in our securities laws, to protect investors and create further growth and new jobs. Those will be very important as well.

Our government made a promise to restore opportunity and prosperity to Ontario. I am pleased to tell the members of this committee that the plan is working. Our economy is growing at a rate that is faster than all of the G7 countries, including the United States. In the past eight years, our economy has created over one million net new jobs. That's more than 46% of the jobs created in Canada since 1995, and I think it's important to recognize that all parts of Ontario are benefiting from these new jobs. This has helped approximately 627,000 people leave social assistance since 1995—another important benchmark.

Average family incomes in Ontario are rising dramatically. Two-parent families with children had an average after-tax income in 1995 of over \$57,000. A growing economy and tax cuts have raised this in real terms by 19% in 2000. Single-parent families saw a 33% increase in their real average after-tax income.

Regaining Ontario's ability to make important investments in key priorities did not happen by accident. Those investments are possible because the fundamentals of our economic plan have moved the economic performance of this province quite simply from worst to first.

How do we move forward to create more jobs, more opportunity, to keep building our competitiveness and productivity to secure future prosperity? How do we generate the revenues we need to meet growing public expectations for world-class public services? The short answer is by sticking with the plan, by continuing with the initiatives that set the stage for Ontario's turnaround: vigilant fiscal management, lower and more competitive taxes, balanced budgets, reduced debt and key investments in priority areas.

1600

Our tax and fiscal policies have helped Ontario recover from the 2001 economic downturn more quickly than other jurisdictions. Despite the weak economic performance of the US economy, job creation in Ontario has remained solid.

All of this points, though, to the need for continued caution and prudence in the management of our fiscal

plan. We've put in place some controls. Discretionary spending has been frozen to ensure we meet our goals this year. As we always do, we are continuing to make adjustments and reallocate to accommodate priorities within our resources.

We will not forget the lessons so painfully learned between 1985 and 1995: to keep focused on the fundamentals that restored confidence, investment and job creation to Ontario; lower and more competitive taxes; balanced budgets; less debt; sound fiscal management; and key investments. Our government will continue to focus on measures to ensure that Ontario can weather the challenges ahead. While global economic forces will always impact the provincial economy, our government will continue to ensure that sound fundamentals are in place to promote growth and prosperity.

Thank you very much, Mr Chair.

The Vice-Chair: You're right on time. Thank you very much.

Mr Phillips, you have 30 minutes.

Mr Gerry Phillips (Scarborough-Agincourt): Thank you, Minister, for being with us. I look forward to, I guess, at least two days of discussion with the minister on the ministry estimates. I'm going to spend my time asking questions, because I find that more helpful.

The public is kind of amazed that, after eight years of a government theoretically managing the finances well, the only way the books are balanced this year is through, among other things, selling off \$2.2 billion worth of key provincial assets. People kind of think of it as having to sell off your home to buy the groceries. So I want to start the questioning on the asset sales, to find out exactly what we are selling. I've asked this question in the Legislature, but I'll follow it up here.

When you sold the 407, I think the requests for proposals went out a year and a couple of months in advance. There was a long period between the time it was announced for sale and when it was actually closed. Now we've got less than 10 months before the end of the fiscal year. This is a cornerstone of your fiscal plan. People know where you're promising to spend the money, and I think they have every right to find out where you're planning to raise the money. So I wonder, Minister, if you might outline for us today how you plan to raise the \$2.2 billion in asset sales?

Hon Mrs Ecker: You want to go directly into questions, then?

Mr Phillips: Yes.

Hon Mrs Ecker: OK. First of all, as the honourable member will know, every year we review the public assets that we manage on behalf of taxpayers to ensure that they're well managed, to see if there are other options available to maximize the value for taxpayers. For example, last year two reviews were conducted on Hydro One and another one on the Province of Ontario Savings Office. In one case, as the Premier has said very publicly, with Hydro One, when we looked at what made the most sense for consumers and taxpayers, it was to have Hydro One remain in public hands.

When we looked and reviewed the Province of Ontario Savings Office, the decision was different because POSO was a service that had been started by government many, many years ago when banking services were not as readily available in some of our smaller communities. That service had not been able to expand. The base of customers accessing it was very small. In effect, we were running a sort of elite little banking service for a small group of people. We looked at that, and it's not the core business of government to be providing banking services to our citizens.

So through a competitive process, we had Desjardins Credit Union, a company that is well known in the credit union world and has done some very good things in many communities—it's a very good arrangement. Not only was there \$50 million worth of revenue to the government, but they are also making over \$100 million—I think it's \$150 million, if I recall—worth of investments in upgrading the services and technology. Virtually all of the staff is being retained. There are new services for those customers of the bank. So in that case, the decision was made to divest ourselves of POSO, the bank, and we indeed did that.

This year, we are continuing to review assets and, where it makes sense, we will make changes. If it does not make sense, if there's not a good business case to be made for doing that, we won't move forward with those changes.

Mr Phillips: Minister, that's an insulting answer to the public of Ontario. You just sort of ramble along when, in my opinion and I think the public's opinion, they have the right to know. This isn't Ernie Eves's private little company. They have the right to know what you're selling, and it's insulting not to give them the answer.

I'll give you another chance to do what you owe to the public. Can you tell us what you're planning to sell to raise \$2.2 billion over the next 10 months?

Hon Mrs Ecker: First of all, as the honourable member should well know, the sales and asset line in the budget has varied quite widely over many, many years. To first of all somehow assume that there has to be one asset sold for \$2 billion is not an accurate assumption. The other thing is that, yes, the public does have a right to know. If we're going to move forward and change the management or ownership or somehow restructure or do something with a particular asset, of course the public has the right to know that. But I don't think it is very helpful to sit here and speculate on decisions that may or may not be made before they're done.

As we said last year, we anticipated revenue from the sales and rental line, from assets and, as I said, both POSO and Hydro One were very publicly done, as they should be. We talked in the budget last year and again this year of some of the assets that we are reviewing. We're looking at some of the landholdings the government has, we're looking at the best way to provide the services through Teranet, and there may well be some other steps that the government takes. If and when the

business case is made, we will certainly be very open about what will occur. But, as the honourable member well knows, last year we did not move forward with one particular asset and on another one it made most sense to do that.

Mr Phillips: I'm very suspicious of this budget, and your answers don't help to alleviate that.

Because you refuse to answer the question, which I think is insulting to the public, I'll move on to my next question.

Hon Mrs Ecker: I know the honourable member may not agree with the answer and may not like the answer, but I do quite seriously reject his allegation that somehow or other this is insulting to the public. That's not the case. If there are indeed changes to be made in the management of a particular asset, that will certainly be made clear to the public, if there is a business case. If nothing is done, nothing will be done. Again, I don't think it's helpful to speculate on things that may or may not occur.

Mr Phillips: Well, you're asking people to buy that you've got \$2.2 billion of assets to sell and, frankly, until you produce some evidence of that, I don't accept it. That's probably the most gentlemanly way of putting it.

My next question is, you've indicated that the spending on SARS will be, I gather, about \$850 million. Is that anticipated to be this fiscal year and, if it is this fiscal year, where would we find that money?

Hon Mrs Ecker: The majority of that is probably going to be spent this fiscal year. Some of those determinations are being made. Of course, there is information that we are obtaining from hospitals, from staff, that is going into this. Some of that may take time

1610

Second, we have also been very clear with the federal government. They have indicated that they are willing to be supportive of the expenditures that Ontario has made that are SARS-related. Those negotiations are not yet concluded, as well. So there are a number of questions and further information that will be coming forward to answer some of those questions.

I'd also like to go back to something that the honourable member said earlier. When you have a budget of over \$70 billion, there are many, many decisions that go into keeping that budget balanced, as we have done the last four years in a row. There is a track record, there is a commitment to keep the budget balanced. We're prepared to make the decisions that are required to do that, as we have in the past. I know the member is all fixated on one particular line, but that particular line in a \$70-billion budget is one small piece of a very large pie. There will be a number of decisions, as there always are, that go into making sure that this budget, as the previous four have been, is indeed balanced.

Mr Phillips: Let me pursue that then. I'll make the assumption that there's over \$800 million of expenses for SARS that were not anticipated in the budget. You've also built in another \$700 million of unidentified savings. You just put a number in there; you're going to find \$700 million of savings.

Normally, that number is \$200 million to \$300 million a year. Now, after eight years of what you purport to say is tight fiscal management, you've identified \$700 million that you're going to cut from somewhere. When you add up health and education, colleges and universities, and law and order, and take that out of the mix, a \$700-million cut is substantial and it's dramatically higher than any previous year. So you've got \$800 million for SARS and then another \$700 million of cost savings. Can you tell us today some of the ways you are going to save that \$700 million?

Hon Mrs Ecker: First of all, we are always looking for better efficiencies in how we provide government services. Sometimes some projects, for example, on the capital side, projects that one expects to be started or completed in a particular year, don't occur. So those are sometimes savings that are made. Sometimes programs underspend in certain areas; decisions are made by the government to focus on other areas. There are a number of decisions that go into finding savings. We're going to continue to do what we've always done, to look at the most effective and efficient way to provide services. Where there are new ways to do that, we will. Where there are ways to get out of a core business that the government doesn't have to be in, we certainly will, so that we can indeed find savings.

When you go out and ask the public—as we do on a regular basis consult the public—they always speak quite strongly about the need to continue to have steps to take misuse and abuse out of the system to make sure that government is using money as efficiently and effectively as it can. They know there are still problems there, that there are still savings that can be found. We agree, and we have a program review committee, as we announced in the budget last year, that is reviewing all programs, as they should, to achieve savings.

Mr Phillips: Sure, but you're making it up when you say \$700 million. It's like double what you've ever had before, and after eight years, and that's part of my suspicion about your budget.

You indicated last year that the reason you broke the Taxpayer Protection Act and delayed the tax cuts—you delayed \$1.5 billion of tax cuts—was, and I'm quoting here, "To meet the target of a fourth balanced budget, the government delayed scheduled reductions in a number of tax cuts." So you had legislated tax cuts planned and you just abandoned the Taxpayer Protection Act.

If you run into difficulty this year in balancing the budget, would you once again abandon the tax cuts and simply amend the Taxpayer Protection Act so you wouldn't have to proceed with them?

Hon Mrs Ecker: First of all, I reject the honourable member's characterization. The Taxpayer Protection Act is there to protect taxpayers from governments that may wish to increase taxes without asking the permission of the voters. That is still the case.

What happened after the events of 9/11, as we said very clearly last year, was that there was a need to make a number of very difficult decisions. We extended the

time period of some tax cuts, so they took a little longer to come into implementation or to be completed. We extended that out by one year. We also moved forward with other tax cuts in last year's budget.

Every budget that this government has brought down has had tax relief, because again, one of the things that helps an economy is to have competitive taxes, lower taxes. That's one of the reasons that we have the jobs and investment here. We are continuing to move forward with a program of tax relief, making sure that we are implementing it at an appropriate pace so that that tax relief can benefit the economy, as it has before.

Mr Phillips: I was just quoting your own document. It said, "How can the government justify breaking the Taxpayer Protection Act?" That was your answer in the document produced.

On page 50 of your briefing book, you indicate that the Ontario home property tax relief act will reimburse seniors for their full residential education property tax. Is that the intent of that piece of legislation?

Hon Mrs Ecker: It is the intent to have seniors benefit from being relieved of a portion of their property tax; it would be the education portion of their property tax. It would start July 1 this year, should the legislation be passed.

Mr Phillips: But that is the intent, to reimburse their full education property tax?

Hon Mrs Ecker: The full year would be next year, so in the first year it would only be—

Mr Phillips: But 100% of it.

Hon Mrs Ecker: That's the intent, yes.

Mr Phillips: So there is no cap on it? It doesn't cap at, say, "You'll only get back \$1,000," or something like that?

Hon Mrs Ecker: It is the full education portion.

Mr Phillips: So if I own—which I don't—a \$1-million home, I would get \$3,335 back?

Hon Mrs Ecker: It depends on your individual tax situation. If you own a \$190,000 home—

Mr Phillips: No, I said, if I own a \$1-million home—

Hon Mrs Ecker: —you would get tax relief, and the majority of senior citizens are living on modest incomes. Even though a senior citizen may well live in a house, they may have been in that house for 30, 40 or 50 years—

Mr Phillips: I know. But I've interpreted your comment right that you get the full residential education property tax back, regardless of value?

Hon Mrs Ecker: Most seniors we meet and see in our travels very much need additional tax relief. So this program is designed to indeed do that for those seniors, and to recognize the contribution they have made to the economy.

Mr Phillips: I understand that. I just want to be sure I've got it technically right. You do get the full residential education property tax back?

Hon Mrs Ecker: Yes, the educational portion.

Mr Phillips: Regardless of value.

Hon Mrs Ecker: Mr Phillips, as you well know, many seniors, as I've said, may well live in a house.

They've been there for 50 years. That house may have appreciated in value, but their income may not have. I think—

Mr Phillips: I understand. I just want to make sure that I've got it right.

Hon Mrs Ecker: I think it's an important point to make, because those seniors are not—and they will certainly tell you—wealthy by any stretch of the imagination.

Mr Phillips: I understand. Just as long as I've got it technically right that there is no cap on it, I appreciate that answer.

Again, just so I understand it, each senior makes an application annually, the application then is processed and a cheque is sent back. I gather there are about a million applications, if I'm not mistaken. What size of staff have you anticipated to deal with that?

Hon Mrs Ecker: As you know, the Ministry of Finance currently has staff who are in the process of doing precisely that kind of activity.

Mr Phillips: No, I didn't know that.

Hon Mrs Ecker: They deal with both individuals and companies on a regular basis in terms of the collection of tax or application for various programs that may be in existence. This would be another program similar to these.

I think it's important that obviously detailed planning is not occurring until the legislation has passed. We wouldn't want to presume the judgment of the Legislature.

Mr Phillips: With all due respect, as they always say, you want us to pass this legislation. You're going to process a million applications, and it looks comparatively complex. You're then going to send out a million cheques. I'd just like to have some idea of what you've anticipated is the cost of doing it. You've designed the program. This is how you want the program to work. If I take you at your word, as they say, that you manage this stuff well, you must have asked, "How many staff do we need to deal with this?" I just want to get some idea, in your estimates book here, what you have estimated as the cost of managing that program annually.

1620

Hon Mrs Ecker: We can certainly provide you with further details on that, but I think it's important to recognize that, as we do with any budget initiative where there is a new program that is brought in place, it is done, first of all, within the existing civil service framework whenever possible. There may well need to be an additional official or officials to deal with a particular program, and those judgments are made as we implement these programs. We'll certainly be prepared to provide you with any further information on that.

Mr Phillips: That would be very helpful. I would have thought you'd have it today, because I gather it is a million applications—check me if I'm wrong here—and it is the plan to send them back a cheque.

Hon Mrs Ecker: We deal with literally millions of taxpayers on a regular basis in the ministry.

Mr Phillips: I understand this may not seem like much to you, but—

Hon Mrs Ecker: No, that's not what I said, but we would certainly be prepared to provide additional information for you as it becomes available.

Mr Phillips: I'll just make sure I've got it right: there is no cap on it and it is a rebate program that requires an annual application. Renters, I gather, have to get from their landlord a form that says, "I have paid on your behalf X tax." Have I got this right so far?

Hon Mrs Ecker: It is an application-based program. I must say that we would be quite prepared for Ottawa to do what they've done in the past—but it's sometimes very difficult to arrange these things with them—where they actually allow things to be done on the income tax form. That is always something, as we seek to negotiate better tax collection agreements with Ottawa, that might be possible as well.

Mr Phillips: Minister, are you saying your legislation assumes this is going to be handled through the Income Tax Act?

Hon Mrs Ecker: No.

Mr Phillips: How could Ottawa handle it, then, if your legislation is written in a way that requires people to apply here?

Hon Mrs Ecker: This legislation certainly has an application process, because that's the most effective way to do that in the short and near term. For example, one of the things we've found when we provided tax relief before was that through the municipal property tax system, very few taxpayers actually saw it, because municipalities actually moved in to the tax room. In order to provide additional property tax relief, we felt an application-based program in the near term was the best way to do that. So that is indeed what the legislation says.

Mr Phillips: But you've just said to us that you think maybe the Income Tax Act might be better to do it. Why in the world have you got a piece of legislation before us that assumes the application form?

Hon Mrs Ecker: Because of the success we've had with Ottawa in terms of trying to get them to make changes on the income tax form. To have things done in that fashion can sometimes take, in some cases, not only months but longer than that.

Mr Phillips: So you tried this, but they wouldn't cooperate?

Hon Mrs Ecker: No, not on this one. Certainly the best and most effective way to provide this relief to seniors was to do it through an application-based program. It's very clear what the benefit is to seniors. It is an effective way to provide additional tax relief to those seniors, and that's indeed what we are doing.

Mr Phillips: Good. I look forward to your cost estimate to the committee. I am honestly amazed that we have this piece of legislation before the House and you and the staff can't tell us the cost of it.

Hon Mrs Ecker: Mr Chair, on the other hand, this is the same party—if we had come out here and said, "OK, here are our plans, here are the job ads, here's the

Management Board submission," he would be the first one to sit here and say, "Aha, they're not abiding by the will of the Legislature. They're presuming the will of the Legislature." We know they like to have it both ways, but in this case we have put a very important concept initiative out for seniors to provide them with tax relief. We will be administering this program, as we administer other programs in finance, in the most cost-effective manner. We're quite happy to provide the honourable member with further details that may well be available to this date. Again, as more details become available, we'll be quite happy to provide them to the honourable member.

Mr Phillips: My background is business, as they say, and I'd never launch a program without having some idea of what the cost is.

Hon Mrs Ecker: Certainly that work has been done by staff. But again, as you well know, the process for implementing programs here in this government has been to have ministries put together plans in place. Those plans go to Management Board and are reviewed. There may well be other cost-effective ways to deliver those plans. That work is being done, as it should be, for implementing this program like it is for any other program.

Mr Phillips: I'd love to see the cost.

On your organization chart—it's page 3, I think—you show the private-public partnerships and Hydro One project. What is the Hydro One project?

Dr Bob Christie: This is the—

The Vice-Chair: Identify yourself, please.

Dr Christie: Oh, I'm sorry. I'm Bob Christie. I'm the deputy minister.

This is under the Ontario SuperBuild Corp. There are two units. The unit of infrastructure strategies and communications deals with all of the capital planning process, the approvals, the business planning for capital etc. The other unit deals with all of the public-private—

Mr Phillips: Just the Hydro One project. What is that? I'm just trying to get an idea of what that is.

Dr Christie: Perhaps I could ask David Lindsay, but my understanding of that is that this is the formal name of the unit. The government, of course, has announced that it will not be selling Hydro One. But this unit as a whole deals with all public-private partnerships, and the name is a residual from prior to that.

Mr David Lindsay: That's correct. The unit has been established since SuperBuild was created.

The Vice-Chair: Identify yourself, please.

Mr Lindsay: David Lindsay from Ontario SuperBuild Corp, Mr Chair.

The unit was established as a public-private partnerships unit when SuperBuild was created in December 1999. When the government decided it wanted to engage in the Hydro One transaction, that additional responsibility was nested under that unit, so the title of the position was changed at that time. As you know, the Premier and the government publicly announced they were not proceeding with that transaction, but the name of the position remains.

Mr Phillips: Wow. I hope nobody's on staff for that. I don't understand why, in an up-to-date organization chart, the Hydro One project is still on there. I'm suggesting that it looks suspicious.

Mr Lindsay: Are you asking me if it looks suspicious?

Mr Phillips: No, I'm telling you it looks suspicious. I'm asking you why it's still on there.

Mr Lindsay: Because it hasn't been changed.

Mr Phillips: OK.

Interjection: It still exists, right?

Mr Phillips: Yes. That sounds suspicious. It caught my eye that we have somebody there who thinks they're in charge of the Hydro One project.

Mr Lindsay: There is currently no activity taking place at SuperBuild dealing with the disposal of Hydro One. However, there are documents and papers that are being prepared for the public accounts and making sure those materials get wound down. So their staff is still closing down the files, if your question is, what are they doing?

1630

Mr Phillips: The minister mentioned paying down the debt. I'm looking at the debt from when the new government came in, in 1995. It looks to me like it was \$90.7 billion, and it looks like it's \$111.7 billion currently. Am I looking at the wrong numbers here?

Hon Mrs Ecker: Sorry? Pardon?

Mr Phillips: You mentioned that you paid down the debt.

Hon Mrs Ecker: I said we paid down \$5 billion on the debt.

Mr Phillips: My recollection was that you got elected in 1995 and the debt then was \$90.7 billion. My understanding, in looking at the table here—

Hon Mrs Ecker: If you want to add in the NDP's fiscal year and their debt, yes, you can make that calculation, but what we have done—

Mr Phillips: No, I don't want to add that in.

Hon Mrs Ecker: But that's what you're doing when you do it. In our fiscal year, 1995-96, the debt was \$101 billion, as you can see from the chart.

Mr Phillips: No, Minister, actually you're wrong. The debt when 1995-96 started was \$90.7 billion. I accept that 1995-96 was your first fiscal year, but the debt when you started was \$90.7 billion, and it's \$111.7 billion now. Am I correct?

Dr Christie: The figures here relate to March 31 of the year, so it is as at the end of the year, just for the purposes of—

Mr Phillips: I understand all of that.

Hon Mrs Ecker: In 1994-95, March 31, the last time I checked, we weren't in government at that time, Mr Phillips.

Mr Phillips: That's right, and the debt was \$90.7 billion.

Hon Mrs Ecker: That's when the NDP was there, and so they said, but there was an \$11-billion deficit projected, as you know, when we came in and put out the

numbers. As you'll see, from 1995-96, the correct figures are out as to what that debt position was. As we said, we were going to balance the books by the end of the first mandate. We actually did it a year ahead, as the figures also show.

Mr Phillips: I calculate that on March 31, 1995, three months before you took over, the debt was \$90.7 billion and it's \$111 billion now. It's up \$21 billion.

Hon Mrs Ecker: Actually, it's interesting that you're defending the NDP's accounting practices. I think that's a record, that the Liberals are defending the NDP's accounting practices.

The Vice-Chair: Thank you very much.

Mr Hampton, you have 30 minutes.

Mr Phillips: I never even said that.

Interjection.

Hon Mrs Ecker: No, it's actually rather accurate, I think, Mr Gerretsen.

Mr Phillips: I don't think so. When you took over in 1995—

The Vice-Chair: Let's not encroach on Mr Hampton's time.

Mr Howard Hampton (Kenora-Rainy River): Minister, numerous banks, credit rating facilities and independent economists have stated that your 2002-03 budget isn't really balanced because you will have to sell off up to \$2.2 billion in public assets to pay for this year's operating expenses. In fact, the Dominion Bond Rating Service in particular refuses to accept this as a legitimate public accounting procedure and states in a recent report that the Ontario budget is really \$1.8 billion in deficit. How do respond to these kinds of critics?

Hon Mrs Ecker: The bond rating agencies calculate things on a different basis. Secondly, it's not the first time they have raised issues around budgets. They have predicted problems before. Those problems did not occur. We have balanced the budget four times, and we plan to do that again this year for a fifth consecutive time, because it is our commitment to do so.

Mr Hampton: You're simply saying they're wrong?

Hon Mrs Ecker: We have laid out a plan to balance the budget this year, as we have four times before. There are a number of decisions that go into balancing any budget. There is no one step, one decision, one thing that does that. It requires a consistent process over the course of a year. It is not the first time that bond rating agencies—for example, DBRS back in 1997 said they didn't think we were going to be able to balance our budget by 2000-01 because we had tax relief. We indeed did that. We eliminated the deficit and balanced the budget a year earlier than projected, in 1999-2000. So it's not the first time they've raised an issue and I suspect that for governments in the future it won't be the last time they raise issues. At the end of the day, we are prepared to make the decisions that are required to do what we said we would do, as we have before.

Mr Hampton: Your budget assumes Ontario will experience 3% growth in real GDP in 2003. But due to SARS and continued weakness in the American econ-

omy, most recent economic forecasts predict Ontario's growth at about 2%. What would be the fiscal impact on the Ontario budget of a 1% shortfall in economic growth, as now seems likely?

Hon Mrs Ecker: As the honourable member probably is aware, we base our growth forecasts on a consensus from the private sector forecasters. We monitor that, because obviously that changes from quarter to quarter during the course of a year. We quite anticipate that there might well be changes. We factor those into the decisions and the steps we take. The other thing is that economic growth can depend, in terms of the impact on the budget, on what kind of growth, where, when and how it affects different parts of the economy, for example. A lot of things can go into how that affects the province's bottom line at the end of the day. I'm sure the deputy could provide some additional details and technical information about how that is done.

Dr Christie: In terms of the private sector forecasters, we monitor them on a regular basis. Their views will change continually through the year, but the budget forecasts attempt to be somewhat cautious in terms of the sort of economic outlook that is used. I think that at budget time the private sector forecast was a little bit over 3%, and we used a little bit under the private sector forecast.

I think there's a good deal of uncertainty around the impact of SARs. Clearly the short-term impact of what's happened with SARS has been negative, and we've seen the sectors where that has had a big impact. What I don't think people know yet is what the recovery from that will be like. I think that is the question.

The forecasts for the Ontario economy that we have continuing to come out continue to be reasonably strong. There's a good deal of underlying strength in the Ontario economy as a whole in terms of consumption and other sectors. We continue to monitor the private sector forecasters as their views develop.

Mr Hampton: I agree with you that many of the private sector forecasters five and six months ago were predicting 3% growth. But when you look at those same forecasters today, they are predicting something in the order of 2% growth. My question is simple: if they're right, if the growth is not 3% but 2% on GDP, what does that mean in terms of the budget? How much money do you lose? You introduced the technical aspect. You must have done some calculations as to what that means for you in terms of millions of dollars of lost income.

Hon Mrs Ecker: First of all, the private sector forecasters' current average is 2.8% for 2003, with 3.5% anticipated in 2004. Secondly, the actual impact on the province's bottom line depends very much sometimes on how it hits the economy. It may well impact some areas more than others, and that can have a bearing on how it impacts on the actual revenues that go into the province. But 1% growth can have an impact—and again it depends on how it occurs—of somewhere in the \$600-million range.

Mr Hampton: It's a simple question.

Hon Mrs Ecker: I just answered it, Mr Hampton.

Mr Hampton: If economic growth is not 3%, it's 2%, you must have done some relatively routine calculations about what that means in terms of loss of tax revenue. It's a basic question. It's like, what's two and two?

Hon Mrs Ecker: First of all, those figures are in the budget papers. What I am saying to the honourable member—and I just answered this question. He was busy talking to a staffer, and I understand he may not have heard me say that. But the other thing is that the actual impact at the end of the day may well vary, depending on how it hits the economy. If you turn to page 27 of your budget papers, you can actually see it. As I said, it's somewhere in the neighbourhood of \$600 million—a full percentage point.

1640

Mr Hampton: So if we are faced with 2% growth in the economy rather than 3%, it means a loss on average of about \$620 million: in other words, \$620 million more that you'd have to make up. Is that right?

Hon Mrs Ecker: Well, again, it would depend. As I said, it depends on how it would actually hit our revenues. That is a forecast, an estimate, and so 1% in general is what it's considered to be.

Mr Hampton: Gee, why do I have to ask five questions to get that simple answer?

Let me ask you this: given the projections from the United States that the American economy is not doing well, and the projections that the Canadian dollar is actually appreciating in value as compared to the American dollar—and that has real repercussions for a number of our export industries—and given the projections that SARS is going to have a negative impact on the economy of Canada's largest city, Toronto, have you done some estimates as to: will it be \$620 million more that you'll have to find, will it be \$550 million, will it be \$400 million?

I would think, if you were being prudent—and you say you're being prudent—you should have done some of those estimates by now. What are they?

Dr Christie: The way in which we monitor and manage these matters is to pay very close attention to the monthly information that comes in through retail sales tax, employer health tax. I think we found over time that one of the most reliable barometers of the performance of the economy is the actual revenue generation through the particular taxes we collect. There are obviously some lags in getting that information. To date we have seen some of the signals, but we have not seen anything material.

One of the parts of the planning that we do is to have in place—and this was originally recommended by the financial review commission back in 1995—a reserve, which is now at \$1 billion, whose purpose is to provide some protection against adverse events in the economy. So there's some protection built in there through the use of the reserve.

Mr Hampton: Again, I just want to ask you a simple question. I read the headlines. I know, for example, that in the part of Ontario I know best, northern Ontario,

sawmill after sawmill is shutting down—200 workers here, 300 workers there. Most of the sawmills, and there are several, don't believe they will make any money this year. A paper mill in Sturgeon Falls shut down—160 workers. A number of other paper mills shut down. Falconbridge has announced they're shutting down their refinery this summer for at least three months, possibly five months—something to do with high electricity prices—and laying off 500 workers. You must have some estimates of how much this is going to offset both economic growth figures and your revenue figures.

You've said to me you're being very prudent. I'll accept that for now. Well, show me how prudent you are. You must have some sense: is this going to be a \$620-million loss of revenue, a \$500-million loss, a \$400-million loss? What do your projections show at this point?

Hon Mrs Ecker: First, one of the things, as the honourable member well knows, is that the Ministry of Finance does report on a regular basis through quarterly reports and the economic forecasts in the fall. We will continue to do that.

Deputy, did you have anything more to add?

Dr Christie: I think the only thing I would add is that there is a lot of uncertainty right now, and I think that most forecasters are trying to be aware of that uncertainty. There are a lot of outcomes, which is why we are paying particularly close attention to the revenue flows so that we can get as accurate an idea as we can of what is really going on, as opposed to what's really conjecture, I think, in terms of what the longer-term impact of this will be. Nobody knows what the longer-term impact—three months, six months—of the current state of affairs will be. We're looking at it and monitoring it very closely, and we will be reporting on it, as the minister described.

Mr Hampton: But page 27 of the budget says that a 1% decline in GDP will likely translate into a \$620-million loss in revenue.

Dr Christie: That's correct.

Mr Hampton: Last week—I want to return to some of the issues that Mr Phillips covered—the Premier announced \$720 million in new funding to combat SARS.

I want to ask you this question, Minister: is this \$720 million on top of the \$27.6 billion in health care spending detailed in the 2003 budget?

Hon Mrs Ecker: Again, as we said, some of that money will be spent this fiscal year. Some of it, depending on the information that we're getting in, may take a little longer to be spent, but that is additional health spending.

Mr Hampton: So that's on top of the \$27.6 billion.

Hon Mrs Ecker: Yes.

Mr Hampton: So if most of it were spent this year, that would be, in fact, a health budget of \$28.32 billion. Is that right?

Hon Mrs Ecker: Certainly, that estimate might well be accurate at the end of the day.

Mr Hampton: You referred earlier to the fact that you also, in this budget, project that you need to find \$700 million in savings.

Hon Mrs Ecker: We do have a savings target.

Mr Hampton: I'm just trying to add up some numbers here. You admit in the budget that you have projected asset sales approaching \$2.2 billion. If the forecasters are right, and we actually see a 1% decline in projected economic growth, that's another \$620 million. Then there's the \$720 million in new health care spending. Then there's \$700 million in savings. It looks like, in fact, you've got a \$4-billion question you have to answer.

You tell us you're prudent. Can you tell us how you're going to deal with that potential \$4 billion of new expenditures, asset sales or loss of revenue? You must be thinking about that.

Hon Mrs Ecker: Well, as we always do as we go through a fiscal year, we know there will need to be in-year changes, as there always are. We are prepared to make those in-year changes this year, as we have before, in order to balance the budget. I guess I would also ask the honourable member what SARS initiative he would prefer that the government not do.

Mr Hampton: I'm not suggesting any of those things. It looks as if you've got a pretty significant problem here. You say you're prudent. Well, if you're prudent, you must be thinking about how you would possibly address this. What would it be?

Hon Mrs Ecker: I appreciate the honourable member's concern for balanced budgets. It might have been helpful if his government had been a little more concerned about them. We came into office in 1995 and faced an \$11-billion deficit. That is what we were dealing with. We have turned the corner, brought that deficit down to zero, balanced the budget four years in a row, and intend to balance it again this year.

There's no question it's going to involve some very, very difficult decisions, as it always does. There is no easy path to keeping a budget in balance. We are prepared to make those tough decisions and to reallocate from within as we need to to find savings, as we have before and as we will again, to make sure that at the end of the day we are addressing priorities like SARS, for example, and balancing the budget.

1650

Mr Hampton: Again, this is your budget where you say you're projecting \$2.2 billion in asset sales. You say you're projecting \$700 million in reductions; ie, savings. You say there has to be another \$720 million found for SARS. You admit in your budget document that if economic growth falls 1% short of what you initially projected, that's another \$620 million. Actually, when I do the numbers, it works out to \$4.24 billion. Don't you think the public of Ontario deserves a response as to how you think you're going to find \$4.24 billion? You are, after all, three months into the budget year.

Hon Mrs Ecker: The honourable member can play what-ifs as long as he wants. At the end of the day, decisions are and will be made, as they have been in the

past, to ensure the budget stays balanced. As the honourable member well knows, we had an asset sale figure in last year's budget, and that number was not realized for a number of valid reasons. The budget was balanced at the end of the day. We will continue to do that, because it is important that that be done.

Mr Hampton: I'll repeat the question. By your own numbers, you say—

Hon Mrs Ecker: By your speculation.

Mr Hampton: By your own numbers, you say \$2.2 billion in asset sales. You say \$720 million in new expenditures to fight SARS. You say \$700 million in further savings must be found in the budget. That's not my speculation; those are your figures. The only thing I ask that you think about is that all the economic forecasters, or most of them, are now saying it's not going to be 3% growth; it's likely going to be more in the nature of 2% growth. Your budget says that would mean a loss of revenue of \$620 million. If you add up those figures, which come from your budget and the Premier's announcement, it comes to \$4.24 billion that you need to find. I'm asking you, where is that money going to come from?

Hon Mrs Ecker: You're making a lot of assumptions, Mr Hampton.

Mr Hampton: No, those are in your budget.

Hon Mrs Ecker: Well, no.

Mr Hampton: Those numbers are in your budget.

Hon Mrs Ecker: No. The honourable member is assuming certain things will or will not happen and he is then basing his calculations on that. Every budget is a series of revenue forecasts and expenditure forecasts. As we go through the fiscal year, we will make adjustments as required to keep the budget balanced at the end of the year, as we have four times before. I appreciate his advice, but it's a little difficult to take mathematical advice from someone, with all due respect, who was part of a government that ran up the biggest debt in the history of the province.

Mr Hampton: Minister, these are your numbers; they're not mine. They come out of your budget. Your budget says you're projecting asset sales of \$2.2 billion. Your budget says you need to find a further \$700 million in savings. Your budget says that if economic growth is off by 1%, that's another \$620 million you have to find. Your Premier says a further \$720 million for SARS. Just adding up the numbers from your budget and from your Premier, it comes to \$4.24 billion.

I'm simply asking you, what assets would you sell to realize that? What cuts are you going to make? They're your numbers. What's your answer?

Hon Mrs Ecker: Because you can sit there and put a number on—

Mr Hampton: They're your numbers; they're not mine.

Hon Mrs Ecker: Mr Chair, if you'd like me to answer the question, I can certainly answer the question.

Every budget provides estimates. Every budget requires in-year decisions. This budget will be no different, and as decisions are made, they will be communicated.

We have put new investments in health care, new investments in our public education system, investments that the honourable member still continues to stand up publicly on a regular basis and say are not enough. We have made expenditure reductions in government in the last several years to keep the budget balanced. All of those reductions, every one, are things the honourable member and his party and the Liberal Party have objected to. Every savings strategy we've put in place, they have objected to. Every spending increase we've put in place, they say is not enough. Every step we take to encourage and support economic growth to make sure we can recover from things like SARS, as we recovered from the events of 9/11—all of those steps—they have objected to. The record of their government was very different from the record of our government, of bringing debt down to zero, balancing the budget and continuing to do that.

Mr Hampton: Minister, again, you project asset sales of \$2.2 billion. What are you going to sell? Are you going to sell Hydro One? Are you going to sell the LCBO? Are you going to sell off another highway? Are you going to sell off some hospitals and lease them back? What are you projecting in terms of asset sales to realize \$2.2 billion? I suppose I should ask you, what are you going to do in asset sales to approach \$4.24 billion, since when you add up all the numbers, that's the bigger picture?

Hon Mrs Ecker: The honourable member can scare-monger all he likes. As he should know, we had a figure of sales and rentals of approximately \$2.4 billion last year. The budget was balanced at the end of the day. We did not, to use his words, "sell an asset" for \$2.4 billion. I think it is a tad mischievous to say that that is the be-all and end-all of the fiscal picture. At the end of the day, a number of decisions will be made, as they are always made, in the budget to keep it balanced.

We have done that. We're the government that's brought back balanced budgets to Ontario, and we need to continue with that record because that's one of the reasons we've had the economic growth; the million new jobs we've seen created in Ontario; and a growth rate, despite the challenges, that has been stronger than that of many of our trading partners. We need to continue with this economic plan because it is a plan that has worked and needs to continue to work for economic growth in Ontario.

Mr Hampton: Last year, you projected asset sales in excess of \$2 billion as well, and last year you said you were going to meet that through selling off Hydro One.

Hon Mrs Ecker: No, we didn't.

Mr Hampton: I believe at the time your government was very clear that you thought you could get \$2 billion for Hydro One.

Hon Mrs Ecker: No, we never—we did not go out the door. Originally, Premier Harris had talked about issuing a sale of shares through Hydro One. Premier Eves changed that, did not agree with that decision and felt that taxpayers were better protected, that the objectives we wanted for Hydro One, increasing investment and

making sure we had the services we need from the transmission corridor were better accomplished through public ownership of Hydro One. I know the media was full of all kinds of helpful little sources running around saying, "Well, the government's saying this. The government's saying that," but we did not set out any goal for the sale of Hydro One.

Mr Hampton: We'll take that as your answer now. We'll have a chance to come back to that.

I just want to ask you a couple of simple questions. Are you saying Hydro One is not for sale and no part of Hydro One is for sale?

Hon Mrs Ecker: As we've said, Hydro One remains in public ownership. The Premier has been very clear that he thinks it should stay in public ownership.

Mr Hampton: I'm simply asking you a yes-or-no question. Is Hydro One for sale?

Hon Mrs Ecker: Hydro One is going to stay in public ownership.

Mr Hampton: Is any part of Hydro One for sale?

Hon Mrs Ecker: Hydro One is going to stay in public ownership.

Mr Hampton: Is any part of Hydro One for sale?

Hon Mrs Ecker: Hydro one is an entity that is in public ownership, and it is going to stay in public ownership.

Mr Hampton: Is any part of Hydro One for sale, any share of Hydro One for sale, any portion of—

Hon Mrs Ecker: There are no shares of Hydro One, so they are not for sale, no.

Mr Hampton: Is any portion of Hydro One for sale?

Hon Mrs Ecker: Hydro One is going to stay in public ownership. I know the honourable member is trying to play political games here and say, "Oh, gee, maybe they might want to make this change. Let's get them to rule out any change that might ever be made to Hydro One that might actually help benefit the electricity consumers of this province."

We've made it clear it's to stay in public ownership. We've also made it clear that what we want to do with the entire electricity sector—our goal here—is to have more supply, to make sure consumers, and particularly our small business community, have the electricity they need.

Mr Hampton: I'm still looking for that yes or no answer.

Hon Mrs Ecker: I know the honourable member likes to play political games with this. I've given him an answer. It's the Premier's commitment, and I think that answer is quite appropriate.

1700

Mr Hampton: Is any part of Hydro One being considered for a, shall we say, private-public partnership?

Hon Mrs Ecker: I'm not on the board of Hydro One, so I don't know what plans the board may or may not be making. It's very clear for them that public ownership is where Hydro One is to stay. I've answered the question.

Mr Hampton: Is any part of Hydro One being considered for a public-private partnership: yes or no?

You're the minister. You're supposed to be accountable. You're telling us how prudent you are.

Hon Mrs Ecker: I'm not aware of any plans to change the Premier's commitment that Hydro One stay in public ownership. I've answered this question. He can keep repeating it as many times as he wants and I will keep answering it.

Mr Hampton: So you're not aware of any plans at this time?

Hon Mrs Ecker: As I said, Hydro One is going to stay in public ownership. I'm not of aware of any plan that is going to change the Premier's commitment.

Mr Hampton: LCBO: any plans to sell off the Liquor Control Board of Ontario?

Hon Mrs Ecker: I don't think that anyone is advocating selling off the LCBO.

Mr Hampton: Any suggestion that the LCBO may be up for some kind of public-private partnership as a way of finding your \$2.2 billion in asset sales?

Hon Mrs Ecker: Again, I'm not on the board of the LCBO. If they have particular proposals they want to make to the government, I'm sure they will. As we've said, at the end of the day we review all our public assets on a regular basis to see if there are changes that need to be made to maximize the value for taxpayers; for example, to protect consumers better. It would have to be a business case if we were to make any change in any particular asset. That is certainly something the Premier and I have said.

We're not selling things to balance budgets. We would change the management or the structure or something about a particular asset if there was a strong business case, if it made better taxpayer sense to make that change. That has been our position. It was last year and it remains our position this year.

I'd be quite happy to go through for Mr Hampton that we reviewed Hydro One last year and it stayed in public ownership. We reviewed the Province of Ontario Savings Office. Again, it made better sense on a whole range of different indicators to divest ourselves of POSO to the Desjardins Credit Union. We have additional investments and new services for consumers; we have job protection; we have maintained services in communities. It made better sense to do it that way. It was a good business case, and so we moved forward with it. That remains the way we will continue to review and look at public assets.

Mr Hampton: It sounds like anything is for sale.

Hon Mrs Ecker: That's not what I said.

The Vice-Chair: You're into your 30 minutes of response, Madam Minister. You can proceed or share the rest of your time with your colleagues.

Mr Frank Mazzilli (London-Fanshawe): One thing I want to talk about is the seniors' tax credit. On the first day after the budget, I had four seniors call my constituency office on this matter. At the time, although I took it very seriously, I had to think about it for a while. This is one of the largest single tax decreases that quite frankly any government has come up with. It's not phased in; it's

now and it's the full amount, and I think it's worth talking about.

One of the complaints that we get from seniors, as you alluded to in your opening statement, is that sure, they purchased a house and they've paid for it. Then, at some point they're left on a fixed income but the expenses never go down—you know, the heat, the hydro and the property taxes. Those things are always constants and year over year they go up. They've paid for their home, they're mortgage-free, yet the expenses never go down. Somehow they're forced to sell their homes and move into some other type of accommodation, not because they couldn't purchase the house but because the month-to-month expenses just keep going on. I applaud the \$450 million, or somewhere near \$500 per person, but the vast majority would be, I suspect, a little bit higher than the average.

If you look at a \$200,000 home, what are the ranges in property taxes through the province? Do you or your officials have any of those numbers so that we can give a general direction to my constituents and some others?

Hon Mrs Ecker: I'll see if we have someone from our property tax division who could provide further information on that, Mr Mazzilli.

Ms Nancy Naylor: I'm Nancy Naylor. I'm with the Ministry of Finance. I believe your question was—

Mr Mazzilli: Assuming one of our constituents, a senior, has a home with an average value of \$200,000, which would be reasonable—we'll start with that number and maybe work backwards—where would property taxes on that type of home range in this province?

Ms Naylor: For \$200,000, the rate for the residential education tax as of this year—and I would note that it has been lowered three times since 1998, and the minister did lower it this year—it is 0.335%. So for a \$200,000 house, that would \$670.

Mr Mazzilli: That's \$670 for a home like that.

Ms Naylor: Right.

Mr Mazzilli: Many seniors have chosen to sell their homes. Perhaps they do not want to cut the lawn, or they want to go to Florida in the winter. They've chosen to rent a condominium. Do you think that the vast majority of new condominiums would be paying \$2,000 per unit? Is there a range in condominiums?

Ms Naylor: In education property taxes?

Mr Mazzilli: No, \$2,000 on the overall property tax per unit on a rental accommodation. Would that be a fair number?

Ms Naylor: Yes. Generally on a residence, as a rule of thumb, we see a total property tax bill, including the municipal side and the education side, between 1% and 1.5%. So, for a \$200,000 condominium, a \$2,000 total property tax bill, of which the education tax would be \$670, would be a reasonable assumption.

Mr Mazzilli: So whether a senior lives in rented accommodation—the value would be \$200,000—or owns it, they would qualify for this.

Let's just talk about structure. The Liberals will come up with any excuse not to give a tax reduction. I can

remember through the hydro rebate the argument was, "you can't send out the \$75 because, my God, it's going to cost 32 cents or whatever to mail it out. "You can't do it." I just want to know from a tax department, because business is very complicated nowadays. But certainly there's input, and these types of formulas are not very hard. Would they be computer-driven within your ministry?

Ms Naylor: For property tax?

Mr Mazzilli: To send out cheques or rebates. This isn't one individual going over each one and going "0.335" and writing out a cheque. There's obviously a computer formula that would do this en masse.

Ms Naylor: For the most part, any services would be based on a system, yes, with appropriate audits and administrative controls. That's correct.

Mr Mazzilli: Would it be complicated for a department to process—what is it—a million applications?

Mr Norm Miller (Parry Sound-Muskoka): About 975,000.

Mr Mazzilli: About 975,000?

Ms Naylor: Our tax revenue division administers a number of programs very efficiently, and certainly some of the thinking that is going into anticipating that this will be a requirement is based on the idea that we would use the most efficient technology to deliver that type of program.

Mr Mazzilli: OK. There's just one other thing, and this property tax issue certainly needs to be spoken about further in our communities. But I want to get it down to the estimates. The estimates on carrying the debt that was built up over a period of time in this province: is there an estimate on the interest rate that we're paying on the debt? Are there assumptions made in this document?

1710

Dr Christie: We make assumptions with respect to any new borrowing that we have to do. Let me be clear: borrowing that's done is not new debt, it's not an increase in debt generally, but we are refinancing maturing debt in substantial amounts. We certainly make assumptions about the interest rate at which that will occur. We have computer records etc and computer-based modelling of our current debt structure, so we know what we're going to be paying on all of our current debt. We look at the interest rates that we'd be dealing with in terms of any debt that's being refinanced and rolling over.

Mr Mazzilli: So you're saying it's all not renewed in one fiscal year.

Dr Christie: No.

Mr Mazzilli: You hedge it over a period of time.

The one that is coming up—is there any likelihood that the provincial government could be paying less than what you've assumed?

Dr Christie: Normally when we make assumptions about interest rates, we do try to be cautious in terms of what we'll be paying. Certainly you can see that in last year's results, where public debt interest ended the year at significantly less than we had planned for in the budget. We do try to be cautious when we deal with that.

But in the spirit of caution, I would say that we would continue to look at that and be hopeful.

Mr Mazzilli: And I would want you to keep looking at it with caution.

Certainly a number of months ago a survey of the Bank of Canada, it looked like, in my humble opinion, had jumped the gun a little bit, perhaps raised interest rates—I'll leave that discussion for others. You would have to make your assumptions in that that's the direction, and obviously assuming a prudent manner, a bit higher. Now that that trend seems to be back on the downward spiral, what would half a point on the portion that is coming up—what difference could that mean to the treasury?

Dr Christie: I think, and I'll be confirmed on this, one percentage point is about \$100 million on public debt interest.

Interjection.

Dr Christie: Eighty million. So half a point would be about \$40 million.

Mr Mazzilli: That's very good.

Minister, you certainly got a lot of questions about the SARS outbreak. I certainly commend the Premier and the Minister of Health and yourself for responding very quickly. Some \$800 million has been committed, and the negotiations are not finished with Ottawa. At the end of the day, what would you expect the federal government would come through with for this province for SARS?

Hon Mrs Ecker: Just before I get to that question, I'll answer your other one. In 2002-03 we saved over \$300 million on public debt interest just because we were able to refinance and get maturing debt at a better rate. So there was over \$300 million of savings just on that change alone. So that's something that—

Mr Mazzilli: And that was my point. Obviously as a minister and as a ministry, you've planned in a very prudent manner where you don't underestimate it and spend money.

Hon Mrs Ecker: The goal of the Ontario Financing Authority is constantly to look for the best deal for taxpayers. They have had some good success, as I said—over \$300 million in savings for taxpayers because of that, and they will continue to do that. As I said, they have been successful in the past and probably will continue to be successful.

I'm sorry, your other question was?

Mr Mazzilli: It was on the spending on SARS.

Hon Mrs Ecker: Oh yes, Ottawa.

Mr Mazzilli: I commend the Premier for making the decisions and not getting bogged down between the different levels of government. Is there any expectation from our province that Ottawa will come through with a portion of that money?

Hon Mrs Ecker: Even federal Liberal MPs have been calling on Ottawa to get its act together a little more aggressively on helping Toronto with the impact that it's having.

There are different kinds of federal-provincial cost-sharing programs. It would depend. Those negotiations

are going on now. It could be as high as 90% that the federal government would pay for something of this magnitude. It could be 50%. It depends. Obviously, we are advocating on behalf of Ontario taxpayers to obtain as much of a provincial share as possible. Given the fact that this is health care spending, where they've gone from 50-50 down to, I think, 17 cents last year. It's 14 cents this coming year—a 14% share, as opposed to 50-50. I think expecting them to do something above 50%, maybe as high—as I said, some programs go as high as 90%. It's not unrealistic for us to expect that from Ottawa. Whether we get it remains to be seen, but as I said, we've been advocating for it. Even federal Liberal members are publicly advocating for it. They have been quite critical of their government, because their government is not doing what Ontario has been prepared to do to help the community here in Toronto and surrounding regions recover from SARS.

Mr Ted Chudleigh (Halton): Minister, I just wanted to confirm with you that Hydro One is going to stay under public ownership.

Hon Mrs Ecker: I can answer the question again, if you'd like.

Mr Chudleigh: Thank you very much. Your riding and my riding form the east and west bookends, if you will, of the GTA. Pretty well everything in between us has a tremendous amount of traffic. Certainly, during some periods of the day, it's absolute gridlock, especially if there's been an accident or something. I wonder if you could comment on what the government plans on spending in this coming fiscal year toward trying to improve this situation, not only this year but into the future as well, to come to terms with the amount of transportation we have in the economic hub of the province.

Hon Mrs Ecker: Yes. As the budget outlined, there are some significant investments that we are making in transportation, both transit and highway. For example, we have a \$1-billion commitment to our highway system that we are continuing to move forward. I don't hear the rustle of papers behind me for someone to be looking in the budget for the breakdown of the different transportation projects that we are moving forward with, but we have a \$3-billion commitment for transit. We are moving forward the announcements that we made, the expansions in GO Transit, in bus transit, in helping different regions. We've had some very innovative, creative proposals that have come forward from different regions to have combined, if you will, Smart Growth transportation projects to move forward with.

There have been some announcements. There will be further announcements on highway expansions, specific GO Transit expansions. As you know, we've already helped the TTC with a \$60-million investment for them to help with safety issues. We will be continuing to move forward with those investments.

Mr Chudleigh: Thank you very much. We look forward to those.

I believe Mr Miller has a question.

Mr Miller: I have a question to do with small business in my riding of Parry Sound-Muskoka. Small business is critical to the economy. About 80% of business is small business. What plans are there in the budget in terms of the corporate tax policy for small business?

Hon Mrs Ecker: Before I get to small business, I'll just pick up on Mr Chudleigh.

This year alone, we're investing \$350 million in transit. That includes expanding GO Transit rail and bus service, supporting the new rapid transit projects in York region, Toronto, Ottawa and other municipalities across Ontario. That piece of it is \$156 million. Full funding for GO Transit's state-of-good-repair costs—that's approximately a \$123-million investment. An ongoing municipal transit renewal program in 2003—that will be \$80 million flowing to 43 municipalities to help them renew and improve their local bus fleets. I mentioned the investment for TTC. That is all part of a \$3-billion transit investment over 10 years.

1720

In terms of small business, there are a couple of important steps we've taken for small business. First of all, we've brought down the employer health tax for them, reduced the rate and also increased the threshold at which it applies. We are bringing down the small business income tax rate. It was at 9.5%; we will be going down to 4% by 2005. We've been staging that. That's been coming down. We've stabilized and had reductions in some of the WSIB costs they had. Not only have we removed some of the unnecessary red tape and regulations they have dealt with, but we also have a small business advisory committee that works with the Ministry of Finance and helps give us advice on how to help make our small businesses more successful. Actually, just to be precise, we've increased the number of firms that benefit from the small business tax rate as well. So not only have we brought down the rate, but we've also made sure that more firms can benefit from that lower rate. By 2005 they will be for firms with up to \$400,000 of taxable income. That will mean more than 125,000 small businesses will benefit from this reduction plan. I think it's fair to say we've also eliminated the capital tax for 70,000 small businesses.

Small businesses are quite simply the backbone of the economy. Between 1995 and 2002, small and medium-sized businesses have created over 470,000 new jobs. That's more than half the private sector job creation in Ontario. So that's an important part of economic growth and one of the reasons we've focussed so much effort on them.

Mr Miller: I think these tax reductions are very important. Coming from small business myself, I know that when tax reductions, of corporate tax in particular, have occurred, most small businesses tend to reinvest that money in their businesses to make them more efficient and hopefully generate more money for themselves and for the taxpayers.

I have one question to do with the small business corporate tax rate. I know we in Ontario have been

reducing that rate. Has the federal government reduced their corporate tax rate for small business?

Hon Mrs Ecker: They have had some reductions as well, but we have a much more aggressive program here in Ontario in terms of bringing down both our personal and business taxes. It is actually a very strong record of tax reduction, in total over \$16 billion of tax relief for our individuals and the business community. It's one of the reasons we have the growth and the million new jobs in Ontario. I'd be quite happy to bring one of our tax officials up here—I don't know if Tom or his officials are here—to talk about how we compare with the federal government in terms of their tax reductions.

Mr Miller: I seem to recall that I used to pay around a 23% or 24% combined tax rate. I'm not aware of there being a federal tax reduction. I know the Ontario government has greatly reduced the tax rate, and it's very significant for small business.

Hon Mrs Ecker: John, do you want to go ahead?

Mr John Whitehead: The Ontario tax rates have been reduced more dramatically than the federal rates. There have been some changes in the federal policy.

Mr Miller: The federal rate was about 15%, was it not, at one point?

Mr Whitehead: I believe, and we can confirm it, it varies depending on the sector; for example, manufacturing and processing versus other sectors. In general, Ontario's rates have been reduced much more dramatically.

Mr Miller: I have one question to do with insurance. Insurance costs in lots of different areas have been increasing recently. I happened to receive a letter from a constituent who is in a small business in the Dunchurch area. They are a restaurant, and I guess they serve alcohol as well. In their letter they're telling me their insurance rate for this year is increasing significantly, from \$1,965 for their \$231,000 building, up to their price for this year, \$6,300. So it's a very significant increase. I realize a lot of the increases in the insurance industry are beyond our control, but is there anything the Ontario government is doing to try to mitigate the increases that small businesses are affected by in the insurance business?

Hon Mrs Ecker: The entire insurance industry around the world has been facing some significant challenges with investment returns. What has been happening with the markets has certainly hit; the increase in claims for insurers that offer liability insurance; poor underwriting results; and diminishing investment returns, as I said. There has been a significant tightening of the reinsurance market, so they are having difficulty obtaining reinsurance for their regular business.

Through the Financial Services Commission of Ontario, FSCO, we're monitoring the availability of liability insurance in the marketplace. We are taking appropriate steps to try and encourage and make sure that is there, encouraging businesses, for example, to work with their insurance representatives to identify ways to control their commercial liability and their insurance costs.

On the auto insurance side, we've actually put in place legislation and are working with all of those involved: health care, those who advocate on behalf of accident victims, the insurance companies, brokers, lawyers etc., to put in place regulations that will help manage those costs, to drive fraud out of the system, and to try and make sure that consumers have faster and more timely access to treatment through different changes. So there are a number of steps we're taking there as well. We're taking steps to try to assist our communities to deal with it.

Mr Miller: Is there a provincial sales tax on insurance, and also, is there GST on insurance?

Hon Mrs Ecker: Thank you for reminding me, Mr Miller. We are also reducing the RST on auto insurance premiums. Auto insurance, as you know, is a mandatory service, so we felt one of the ways to help support consumers in purchasing that was to reduce the retail sales tax. It is down now to, I believe, approximately 1%, and that will be down to zero; I believe within the next year that will occur. That's one of the other tax reductions we've been bringing down over time.

Mr Miller: Thank you.

Mr John O'Toole (Durham): How much time is left?

The Vice-Chair: You've got about four minutes.

Mr O'Toole: I want to make a bit of a statement. I have listened very anxiously each year as the budget has been balanced. Last year I understand we had a \$1-billion reserve fund that was eventually rolled over and put into paying off the accumulated debt, which to my understanding amounted to \$5 billion since we took office, probably since 1998. I'd like you to confirm how much we've actually paid down, because that sometimes—on the other side, there is still a sense that there's a growing debt, and the growing debt part would probably be some of the electrical market issues. We've probably accumulated some additional debt there.

I'm sort of wondering about the question Mr Phillips always brings up, and this is probably the proper forum. As I recall, in the previous year's budget we also showed, in sales and other assets on the revenue side, some of the activities there, but at the end of the day I don't think we sold a tremendous amount. The Province of Ontario Savings Office was sold. But we ended up with a balanced budget and we also rolled over \$1 billion into paying down another \$1 billion on debt.

They relentlessly ask the same question. It's rather dreary. It's unimaginative that they can't think of some other questions to ask. I have every confidence that the revenues are, again, just that, they're forecasts, and that we will have a balanced budget, as you've committed to, and this government's brand is a balanced budget. I'm not so confident looking forward that that's the Liberal plan. I think their plan basically is to have a quick deficit. Mostly in the papers I read now they have a shortfall already of about \$2 billion just looking at how they intend to go forward.

To be fair, what other assets might be considered? I'm being open here on this. Maybe it's not even a scheduled question in the true sense. Things like Teranet are an

asset; it's got value. I was in that ministry for a while. These have all been things that are on the record. I would only say, Minister, it's important for me—what things would be considered or do you have remaining as a government decision at the appropriate time and place to commit to a balanced budget, but also reviewing those assets? I think the best way to frame the question is this: in previous years under previous governments, have there been sales of assets that have contributed to the revenue side of their statement?

1730

Hon Mrs Ecker: First of all, I think—

The Vice-Chair: Having asked the question, you've answered it, and the time has run out.

Mr O'Toole: No, that's a fair question, I think.

Hon Mrs Ecker: Save that thought for the next time.

Mr Hampton: You're supposed to leave time for the answer.

The Vice-Chair: Order. The rotation starts at 20 minutes, and the opposition has it.

Mr Phillips: I could be helpful to Mr O'Toole: there was one, the 407, which ripped off the poor users. People in your area are going to be paying \$4,000 a year in tolls as a result of it when the highway gets there. That's why we're so worried about these asset sales, because, believe me, the 407 users were completely ripped off in a deal that made the owner rich. The people who bought it found that 30 months later it was worth four times what they paid for it. It's the most lucrative toll road in the world and the only one with no controls on the tolls, although we're told there were. So, yes, Mr Eves has sold assets before—the 407—and it's an enormous problem. My question is—

Mr O'Toole: Dalton is going to cancel that, is he?

Mr Phillips: You had your chance, you see, and you'll have your chance later.

We've been adding up the risks in the budget this year. There's \$850 million of new money for SARS. There's \$800 million of unidentified savings. You just said, "We're going to find \$800 million of savings," but you haven't identified any of them. The normal savings is \$200 million, so that's four times what you normally have. There are \$2.2 billion of unidentified asset sales—you won't tell us any of those—and risk of an economic slowdown, \$600 million.

There's another \$770 million of federal money—to make sure I've got this accurately—that only comes if the federal government runs a significant surplus. I believe it has to run a \$6-billion surplus for the province to get the \$770 million. If it runs a \$4-billion surplus, the province gets nothing. In these times of economic uncertainty, what assurance do we have that that \$770 million is going to be available?

Hon Mrs Ecker: I think one of things that's important to recognize is that in May 1994, when Premier Harris put forward the Common Sense Revolution that promised to balance the books, pay down the debt, provide tax relief and create jobs in this province, the Liberal Party and the NDP said it couldn't be done, and indeed it has

been and is being done. They are yet again saying it can't be done, and we appreciate their advice. When you look at the record they had when they were in power, they left the taxpayers of Ontario a legacy of \$1 million more an hour going into debt. That is the situation we have been dealing with and have remedied and will continue to move forward with, as we should.

This budget, as previous budgets—

Mr Phillips: Can you give me some kind of answer on the \$770 million you're expecting from the federal government? Where does that stand now, and what assurance have you that you're going to get it?

Hon Mrs Ecker: We have continued to advocate to Ottawa on behalf of Ontario patients, consumers and taxpayers that they need to ante up their share. We appreciate that they did increase funding last year. They promised to increase funding again this year. There's a strong expectation that Ottawa will continue to support the provinces on health care. It's not only Ontario that is facing a challenge on health care spending. We've seen that other provinces, in tabling their budgets this year, have had to dip into reserves and increase taxes in order to meet the health challenge. Ontario has increased health spending, but we need Ottawa to be there to help us, not only in health in general but also for the SARS—

Mr Phillips: But, Minister, I have it right, don't I, that the federal government has to run a \$6-billion surplus for you to get the \$770 million? I simply want to know from you, have you talked to the federal government recently? How realistic is the \$770 million? Is it right that we are assuming it in our finances, because it's highly unusual that we would book \$770 million on the basis of the federal government exceeding its normal projected surplus. Can we assume that you have checked recently and that the \$770 million is still forthcoming?

Hon Mrs Ecker: The deputy is—

Dr Christie: On the point of whether there is a sort of critical level of the federal surplus, it's our understanding that the condition, if you like, surrounding the extra investment by the federal government was that the federal Minister of Finance, in January, as the fiscal year comes to a close, would make the determination whether they had the fiscal flexibility.

Mr Phillips: But don't I have it right? It says right in their budget that it would be their first \$2 billion in excess of the \$4 billion. I simply want to know, because we're adding up the risks associated with this budget, and we've come to \$4.2 billion, and here's another \$770 million, which gets us up to a \$5-billion risk. I want to know, how certain are we that \$770 million is going to be forthcoming, recognizing the federal government has to run a \$6-billion surplus.

Dr Christie: I think the trend of recent years has been for substantial underestimation of the federal surplus. Given that track record, there is a reasonable likelihood of that being available. As I understand it, the current fiscal monitor shows about a \$13.5-billion federal surplus last year before year-end spending. Obviously their final results will be different from that, but it's part of the

pattern of very cautious estimates on the part of the federal government of how large their surplus will be, with the actual results tending to be substantially larger.

Hon Mrs Ecker: Premier Eves, as Premier Harris before him, is continuing to advocate very strongly. There have been conversations with the federal government about the support for health care. They need to do more for all the provinces.

Mr Phillips: But minister, the commitment was that if the surplus is more than \$4 billion, the provinces would get the first \$2 billion. I just find speculative, to put it charitably, the \$770 million in the budget.

Hon Mrs Ecker: Mr Phillips, we would certainly welcome the Liberal Party here at Queen's Park advocating on behalf of Ontario patients as Premier Eves has, as Premier Harris has, as other Premiers have across the country. If he's saying that Ottawa is not going to do its share on health care—

Mr Phillips: I didn't say that at all. I said they made a commitment to you that you would get a portion of the \$2 billion incrementally and I'm just wondering why you put it in the budget, that's all.

Hon Mrs Ecker: —if he thinks that's acceptable, I think we have to continue to push and we will continue to push. I think the honourable member's party could be quite helpful in carrying the message to their federal Liberal cousins about the need in all provinces, not just Ontario, for increased health expenditure by Ottawa.

1740

Mr John Gerretsen (Kingston and the Islands): The bottom line is this: there's about \$5 billion there of expenditures, of sales, of revenues that may or may not be there in total. That's roughly somewhere between 7% to 8% of the total budget. A lot of municipalities used to do this. If you wanted to balance your budget, you just threw a figure in there at the last minute and said, "Okay, sale of assets." It sounds to me like you've done exactly the same thing. I would like to get back to Mr O'Toole's question. That was the best question I've heard him ask here in the last eight years. What do you have on your list that you may possibly want to sell? We've heard about POSO, and you got \$35 million, \$40 million or \$45 million for that. I've forgotten the exact figure.

Hon Mrs Ecker: Actually we got a \$170-million investment for taxpayers and services in the community.

Mr Gerretsen: OK, so that's \$170 million. You've talked about POSO. Whatever the number is, it is. What are you going to sell for \$2.2 billion? Give me a list of some of the assets you're thinking of selling. That's the question he asked, and I assume you are going to answer your own backbencher's question.

Hon Mrs Ecker: First of all, every budget has forecasts on the revenue side and the expenditure side. This budget is no different.

Mr Gerretsen: OK, thank you very much.

Hon Mrs Ecker: Just a second. You asked a question. Let me finish it. Every budget—your budgets did, the NDP budgets did and our government's budget does. It is a series of forecasts, as it is every year. You recognize

when you do that that there may well be in-year changes. We've made changes before to keep the budget balanced; we will do so again. I think it's also fair to say, when you look at the sales and rental line, that figure has—for example, it was \$2 billion in 1999-2000. It was \$637 million in 2000-01. It's gone down to \$300 million. It's gone back up. That particular line varies quite significantly from year to year.

Mr Gerretsen: I realize all that. You've put in \$2.2 billion. You must have some idea as to what you want to sell this year, especially if it was only \$600 million last year. What's it going to be this year?

Hon Mrs Ecker: First of all, I don't think it's appropriate to speculate. We talked in the budget, for example, about Teranet. We've talked about some of the land the province has. We've talked about some of those initiatives. As we said, we review every public asset on a regular basis. We will continue to do that. But if you're going to make changes, a government needs to do due diligence. You don't walk out the door and say, "Gee, you know, we're thinking of maybe waving a magic wand and doing this or doing that," without proper policy work done.

Secondly, you said we couldn't do it last year; we did. You said we couldn't do it the year before that; we did. You said you couldn't do it the year before that; the government did. We will continue to take the necessary steps to bring the budget into balance, because it should be. That is something we will continue to do. There is no one line or one step that is ever going to balance a budget for you. That's just not the way it happens. It might well be in your view, but that is not the way budgets are balanced, nor will it be.

Mr Gerretsen: I find it passing strange that during an election year, you can come up with all sorts of notions as to what you may want to sell, like the LCBO one year, and there were other things another year. Here you're not willing to discuss at all what some of the sales might be for \$2.2 billion. We're not talking about \$300 million; we're not talking about \$400 million or \$600 million; we're talking about three times that amount. In any event, I find that a 7% variation in this is a rather large amount.

Let me ask you something about the property tax credit. I'm not talking about the seniors' tax credit. Is the property tax credit that people apply for in their income tax going to stay in place the way it currently is in every respect, or are there going to be changes in that?

Hon Mrs Ecker: On what? Sorry.

Mr Gerretsen: The property tax credit on the income tax form.

Hon Mrs Ecker: It stays the same.

Mr Gerretsen: It stays the same? Are you not going to make any kind of different allocation with respect to the education portion of the property taxes?

Hon Mrs Ecker: You go ahead.

Dr Christie: The property and sales tax credit is a credit for what people pay in property tax, so if they have been refunded their education property tax, they wouldn't be double-claiming it, if that's your question.

Mr Gerretsen: So that portion of what they're getting back in the education seniors' property tax credit they obviously cannot use as part of the property tax claim with respect to the tax credit on the income tax form.

Dr Christie: It depends on the individual circumstance, but obviously no senior will get less than they would have in the absence of the new credit, and everyone will receive directly the full amount of their education property tax.

Hon Mrs Ecker: Just to be clear, it's being designed so there will not be double-dipping, but at the same time every senior will receive a benefit—renter or owner.

Mr Gerretsen: OK. I'd like to ask some questions about SuperBuild. How much is there in the actual budget of SuperBuild that will be expended this year? You made the general statement that so far \$15 billion has been expended out of the \$20 billion over a five-year period. How much is included this year? According to the estimates here, unless it's contained somewhere else, I can only see about—is it on page 129? How much is there in the capital budget for SuperBuild this fiscal year?

Hon Mrs Ecker: I think David Lindsay would be quite prepared to go into further detail for you, Mr Gerretsen, but the gross capital expenditure for the government will be over \$3 billion this year. It's in the budget as that, and as you quite well know, SuperBuild functions much like Management Board. It is a coordinating body, a planning body. It helps make sure that capital expenditures are planned out years ahead and done according to the strategic plan the government has laid out. So there is no separate, special capital pot that SuperBuild sits on. It is capital expenditures that are flowed through the ministries, as detailed in our budget papers. I don't know, David, if you want to elaborate on that.

Mr Lindsay: I can if the committee would like me to. Basically the list of capital expenditures by ministry is what is published in the budget. The total expenditures add up to the \$3 billion, including all of the partnership funding, millennium partnership, OSTAR, SETP—those are matched dollars, federal and provincial—and then all of the ministry expenditures add up to our total capital line that's published in the budget every year.

Mr Gerretsen: So it's about \$3 billion this year all told.

Can you tell me how much it cost to put this insert in Maclean's magazine a few weeks ago?

Hon Mrs Ecker: It works out to approximately—David is just getting further details—as I recall, about 50 cents per copy. One of the things we believe is very important is that we are communicating to taxpayers what programs like SuperBuild are doing so that they can judge for themselves whether they think these expenditures are appropriate. I believe this is our third annual report on SuperBuild. We have produced a report that we have distributed fairly widely because we think it's something—as I've said, we've done this now three years—

Mr Gerretsen: It cost you 50 cents a copy, but what did it cost you as an insert to put it into Maclean's?

Hon Mrs Ecker: David is just looking that up. It may or may not be part of that. I'm not sure. That may be part of the distribution cost.

Mr Lindsay: That's all included.

Hon Mrs Ecker: Yes, 50 cents per copy is the entire cost.

Mr Lindsay: It's \$35,000.

Mr Phillips: The revenue forecast for next year is \$73.4 billion. If you take out of this year's forecast the one-time things, that \$73.4 billion is about an 8.5% increase. How did you arrive at that \$73.4 billion revenue forecast?

Dr Christie: The revenue forecast for 2004?

Mr Phillips: Yes, 2004-05.

Dr Christie: The revenue forecast for 2004 was arrived at at more of an aggregate level, looking at the growth of the economy, which is expected to improve next year.

1750

The Vice-Chair: You've got about two more minutes.

Mr Phillips: That's helpful if we can get the aggregates that led to the \$73.4 billion, how you built up to the \$73.4. Can the committee get that piece of paper?

Dr Christie: I think by and large they are published in the budget, but we can put them—

Mr Phillips: I only see one number in the budget. I don't see your assumptions on how you built the tax revenue up.

Dr Christie: That's why I say it's at the aggregate level. It's not sort of detailed tax level by tax.

Mr Phillips: Minister, can you give us a more detailed calculation on that?

Hon Mrs Ecker: The revenue forecasts have been made in this budget as they have been in previous budgets.

Mr Phillips: Pardon me?

Hon Mrs Ecker: The revenue forecasts in this budget have been laid out in the budget papers as they have been in the past, and will continue to be.

Mr Phillips: But I'm asking you to provide the public with some more detail on how you got to what I regard as a questionable number. Can you provide the public with some more detail on how you arrived at the \$73.4 billion number? Will you or will you not?

Hon Mrs Ecker: As the deputy said, it is done in the aggregate. It is based on forecasts in terms of anticipated growth and revenue. That is the same as we've done before, and we've done it again this time. The numbers are laid out in the budget papers. I think that information is appropriately presented.

Mr Phillips: Well, it isn't appropriate. It is one number. First, I'd say that I'm increasingly concerned about your numbers this year. We've indicated a \$5-billion concern to you today. Frankly, the explanation you've given has not comforted many of us. You won't tell us where the asset sales are. You acknowledge the federal

government has to run a \$6-billion surplus to get \$770 million. You haven't identified—

Hon Mrs Ecker: With all due respect, let's not put things on the record that are inaccurate.

The Vice-Chair: Let's not take away Mr Hampton's time.

Mr Phillips: Is that not the case, that they have to run a \$6-billion surplus?

The Vice-Chair: We've got about 10 minutes, Mr Hampton, before the bells rings.

Mr Hampton: I'd like the deputy to answer Mr Phillips's question.

Dr Christie: It's our understanding that it's at the determination of the federal Minister of Finance.

Mr Phillips: But they spell it out in their budget that they have to run a \$6-billion surplus in order to pay it. Is that not correct?

Dr Christie: If you're referring to their contingency reserve and their prudence reserve, which they put in at the start of the year, then that's the way they do their planning. As I understand it, it is at the discretion of the federal Minister of Finance.

Mr Phillips: Sorry, but with all due respect, if you look at their budget, they say it would be in excess of \$4 billion, and the first \$2 billion in excess. That's what their budget says. Perhaps we might get clarification on that from the minister. Is that the case or not the case? Just let us know.

Mr Hampton: Minister, a couple of weeks ago the federal Superintendent of Financial Institutions stated that 60 of the 370 defined benefit pension plans the federal government regulates were on a "watch list" and were suffering from very serious underfunding problems. Your ministry is directly responsible for the regulation of 2,800 defined benefit pension plans in Ontario. I believe it's common knowledge that those plans are being rocked by the same three-year slide in the stock markets that are threatening federally regulated pension plans. Do you know how many of the 2,800 defined benefit pension plans regulated by your ministry are in some financial trouble?

Hon Mrs Ecker: First of all, FSCO takes a risk-based approach to how they monitor different pension funds, so there's not an official public watch list like Ottawa. As you may have seen, the Ottawa superintendent has received some public criticism for the statements and the approach they took. FSCO does have a risk-based assessment of plans. When action needs to be taken, they take action on it.

Mr Hampton: Do you know how many pension plans in Ontario are, shall we say, in a riskier situation now?

Hon Mrs Ecker: We can certainly seek to get further information from FSCO on that. I don't know how Ottawa does it, but there's not a kind of an official public list. They go after plans that they think have problems to make sure they're meeting the requirements that are in the law to protect the pension benefits.

Mr Hampton: What's perhaps most interesting about the federal superintendent's remarks on pensions was that

he made it clear the health of Canadian pension plans in many cases had deteriorated to the point where it could no longer be "business as usual" for pension regulators. In particular, he believes that simply following up on valuation reports that are submitted every three years is a completely inadequate approach to regulation in the present environment. He has taken a far more aggressive approach to pension regulation in recent months.

Minister, in light of the recent deterioration in the health of Ontario pension plans, what new initiatives have you taken to deal with what many in the pension industry are calling a crisis?

Hon Mrs Ecker: First of all, FSCO has increased its watchfulness, if you will, in terms of funds. There's no question the majority of pension funds are experiencing difficulties because of investment returns. The law is very clear that if there are gaps in plans, the defined benefit plans, the employers are on the hook to replace those gaps. There are laws and rules around how that is done and the time framing and reporting. FSCO has been meeting with pension funds and taking action where they think there needs to be action taken to make sure those plans are indeed protected.

Again, as you know, we have a pension benefits guarantee fund in Ontario. We're the only province that does have that. That is another additional protection for members of defined benefit pension plans.

Mr Hampton: So can you tell us how many Ontario regulated pension plans are on a risky footing at this point in time?

Hon Mrs Ecker: Mr Hampton, we can certainly—I don't know if someone is actually here from the regulator to answer that question in more detail. As I said, it's a risk-based approach. There isn't sort of an official public list that one puts out. Mr Davies is here, I think, from the financial services regulatory commission to provide further details on that for you.

Mr Hampton: I'm not really interested in names. I'm more interested in numbers.

Interjection: I thought Bryan was here.

Hon Mrs Ecker: Bryan was here. We can certainly get more information on that from the regulator if you like, Mr Chair, to the committee.

Mr Hampton: One of the new initiatives the federal pension regulator has implemented is called stress testing. It's done on an annual basis and involves a majority of federally regulated plans. The federal regulator says that given the downturn in the stock markets since many of the evaluations were done, essentially stress testing estimates the likely impact on pension plans of changes in key variables such as investment returns and interest rates and helps to identify problem plans much earlier on. Have you initiated or implemented anything like the stress testing that the federal regulator has now implemented?

Hon Mrs Ecker: Again, we'll let the official from FSCO here answer the question. If he does not have the answer, we can get that back to you. But what I have asked FSCO to do is to be more vigilant, to look at steps

that we may need to take to ensure that we are being watchful, and if there are recommendations about further policy changes or things like the federal government has instituted, they are certainly free to institute those and recommend them to the government. I have had briefings with them to ensure that they are indeed taking the steps they need to take.

I mentioned earlier what's been happening with stock markets and mutual funds. One of the steps that we did take last year was to put in place legislation to protect investors, to bring in the securities market. We've been working closely with the regulator, in this case the Ontario Securities Commission, and with the Canadian Public Accountancy Board to put in place better reporting for companies in general about their pension obligations and the impact that has on the bottom line. If there are further steps that we need to take, we are certainly prepared to take them.

Mr Hampton: Will you produce, for the next sitting, whatever information you have on the number of provincially regulated pension plans which appear to be in trouble?

The Vice-Chair: Sorry, but at this time the bells are ringing. I'm not quite sure; I think there is a 30-minute bell.

You are 10 minutes into your time, Mr Hampton, so when we resume tomorrow—

Mr Hampton: Can the minister answer the last question? They say they do have numbers. Can they produce them for the next sitting?

The Vice-Chair: It's a five-minute bell, so I can't allow her to answer now. We stand adjourned until tomorrow after routine proceedings. You have 10 more minutes at that time.

The committee adjourned at 1801.

CONTENTS

Tuesday 3 June 2003

Ministry of Finance	E-5
Hon Janet Ecker, Minister of Finance	
Dr Bob Christie, deputy minister	
Mr David Lindsay, president and CEO, Ontario SuperBuild Corp	
Ms Nancy Maylor, assistant deputy minister, provincial local finance secretariat	
Mr John Whitehead, director, personal income tax and financial arrangements branch	

STANDING COMMITTEE ON ESTIMATES

Chair / Président

Mr Gerard Kennedy (Parkdale-High Park L)

Vice-Chair / Vice-Président

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gilles Bisson (Timmins-James Bay / Timmins-Baie James ND)

Mr Ted Chudleigh (Halton PC)

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gerard Kennedy (Parkdale-High Park L)

Mr Frank Mazzilli (London-Fanshawe PC)

Mr Norm Miller (Parry Sound-Muskoka PC)

Mr John O'Toole (Durham PC)

Mr Steve Peters (Elgin-Middlesex-London L)

Substitutions / Membres remplaçants

Mr John Gerretsen (Kingston and the Islands / Kingston et les îles L)

Mr Howard Hampton (Kenora-Rainy River ND)

Mr Gerry Phillips (Scarborough-Agincourt L)

Clerk / Greffier

Mr Trevor Day

Staff / Personnel

Anne Marzalik, research officer,
Research and Information Services

CON
C 26
E77



E-4

E-4

ISSN 1181-6465

**Legislative Assembly
of Ontario**

Fourth Session, 37th Parliament

**Assemblée législative
de l'Ontario**

Quatrième session, 37^e législature

**Official Report
of Debates
(Hansard)**

Wednesday 4 June 2003

**Journal
des débats
(Hansard)**

Mercredi 4 juin 2003

**Standing committee on
estimates**

Ministry of Finance

**Comité permanent des
budgets des dépenses**

Ministère des Finances

Chair: Gerard Kennedy
Clerk: Trevor Day

Président : Gerard Kennedy
Greffier : Trevor Day



Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Copies of Hansard

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Exemplaires du Journal

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 4 June 2003

Mercredi 4 juin 2003

The committee met at 1536 in room 151.

MINISTRY OF FINANCE

The Chair (Mr Gerard Kennedy): Minister, on behalf of the committee, I'd like to welcome you and your staff. We are, as all in attendance know, continuing the examination of finance estimates commenced yesterday. We now turn to the balance of time, approximately 10 minutes, for the third party, and Mr Prue.

Mr Michael Prue (Beaches-East York): I'm continuing with some of the questions I understand Howard Hampton asked yesterday. I believe yesterday, Janet, you were asked to give the number of defined benefit pension plans coming under Ontario regulation that may be in some kind of financial difficulty. Do you have those numbers?

Hon Janet Ecker (Minister of Finance): Yes, indeed. As I indicated yesterday, we have talked to staff about this. We have a risk assessment based approach to monitoring and evaluating the funds. As you know, there are approximately 2,700 defined benefit plans. Of those, there are approximately 200 we are dealing with in terms of ensuring they're meeting the commitments of the plan. What happens is that of those that are looked at with additional rigour, usually about 90% of those problems are rectified. It does not become a significant issue. Where further action needs to be taken to make sure employers are putting in what they need to put in to keep the plan solvent, we take that action.

Mr Prue: So out of the 200, you are saying then that there would be approximately 20 or so where there could be difficulties that we have seen, such as with the Gay Lea employees these last few weeks.

Hon Mrs Ecker: Actually, Gay Lea is putting in place a financial support for their employees. As I understand it, steps are in place to help those particular pensioners.

But again, I think we need to be cautious in how we use this information because this doesn't mean a plan is not going to be able to meet its obligations. What it means is there may be a risk that this plan may have a problem if nothing is done. That is why they take the approach they do, so that when something is identified, they can take the appropriate steps to make sure the plan remains solvent and can meet its commitments.

Mr Prue: I take it then that those 200 or so plans have been identified and notified.

Hon Mrs Ecker: Certainly. I think it's important to put on the record that whenever there are concerns raised about a plan, whether it is a pensioner, an employee, an employer, information through the media, other information, the regulator makes inquiries and takes a look at the information that's filed. There are a number of ways they may well have questions raised about a particular plan.

Mr Prue: I'd like to switch to the area of hydro. My first question is about the Ontario Electricity Financial Corp, it being an agency of your ministry. It is responsible for the rebate or capping subsidy to consumers. This subsidy has cost consumers about \$1.5 billion from May 1, 2002, until April 3, 2003, or if you want to put it another way, about \$550 million after taking into account funds set aside by Ontario Power Generation under the market power mitigation agreement. That's a whole bunch of legal gobbledegook there. We have had our staff look, but we cannot find anywhere this amount of money, either \$1.5 billion or \$550 million anywhere in the budget. Where is it?

Hon Mrs Ecker: First of all, as you know, there are many organizations that are independent in terms of how they function. There was a mitigation program already in place that is supporting the consumer price protection fund. The life of that agreement runs until 2006 and that fund is designed to pay for itself over the life of the agreement. In terms of further details, I'm sure Karen Sadlier-Brown, who is one of our senior officials responsible for this area, can do more details for you.

Ms Karen Sadlier-Brown: Mr Prue, certainly the government does expect that the plan will be balanced over its lifetime as new supply is brought on. As you know, the plan is being funded in part by OPG as part of its requirements under the market power mitigation agreement and by the end of April 2003 that amount has totalled \$1.9 billion, of which the government has flowed over \$300 million to account for the original rebate for consumers, and a further amount to account as part of the MPMA rebate for the first nine months of \$152 million.

Mr Prue: Let me understand this. These numbers are all huge to me. I'm used to being a mayor talking in millions, not billions. What you are saying is that this is going to be worked in over a period of time, four years, until 2006. Is that the number I've got?

Ms Sadlier-Brown: That's right.

Mr Prue: All right. So far all the monies have been paid by OPG and none by any other government agency?

Ms Sadlier-Brown: I think what I said was that in terms of OPG, OPG is a major contributor and has been, as a condition of its licence, required to rebate to consumers the amount that is above the 3.8 to the market price. So as of April 2003, OPG had set aside, because of the difference between 3.8 and the actual market price, \$1.9 billion. That amount is now being flowed to the OEFC.

Mr Prue: So no other monies have flowed to the OEFC?

Ms Sadlier-Brown: That's the major component of it.

Mr Prue: I understand that, but has anyone else had to contribute money?

Ms Sadlier-Brown: It is OPG—

Mr Prue: And only OPG.

Ms Sadlier-Brown: Yes.

Mr Prue: OK. On this same vein, Madam Minister, a researcher on my staff phoned your staff to get a copy of the math, on the assumption that the fund will balance over four years. He was told this was secret information and that your office would not release it. Is that ministerial practice? I can't imagine it is.

Hon Mrs Ecker: If Karen has some further information to offer on that, I'd certainly be quite happy to follow up with you in terms of who the staff member was and to ensure we can answer the question to the best of our ability.

Mr Prue: I take it that you will get back, I guess, next time and you will tell whoever is replacing me that day how the calculation is done.

Hon Mrs Ecker: As I was saying, Karen may well have some further information today on that, or the deputy. If not, I can certainly follow up in terms of who your staff talked to and see what information may be available on this for you.

Mr Prue: OK, but just an assurance that this is not secret information, as we were led to believe, and how this is calculated is open and public information.

Ms Sadlier-Brown: The market power mitigation calculations are there and I understand that the IMO releases numbers on an ongoing monthly basis as well. Overall, the consumer price protection fund, though, is expected to balance over its life. Accounting also is public through the OEFC through its annual report. The annual reports, Mr Prue, are normally released around the time of public accounts.

The Chair: You've got one more minute, Mr Prue.

Mr Prue: All right, my last question then. Rates have been much higher in the last year or two since deregulation has taken place, much higher than the government had said or that your own experts, I think Mr Wilson, said. Fred Lazar of York University was the person who said they were going to save \$3 billion to \$6 billion. This hasn't happened.

Can you tell us what assumptions you are making about the rates over the next year or two? Do you expect them to stay at the same level or do you expect them to go up?

Hon Mrs Ecker: We're certainly quite happy to have the Minister of Energy respond to the member of the

third party in greater detail than the Minister of Finance will, but I think it is important to recognize that with bringing on the new supply that we are working to bring on, we anticipate that over the life of this agreement it will pay for itself.

The Chair: We now turn to the government party. You have 20 minutes, and we start with Mr Mazzilli.

Mr Frank Mazzilli (London-Fanshawe): Welcome again, Minister. Something that obviously is fascinating with the dramatic tax cuts over a period of time is that \$16 billion more in revenue is coming into the provincial treasury.

Could you or one of your officials go through where some of the growth area has been? Has it been in personal taxes, small business or large business, or has it been sales tax? Can we get an understanding? Has each area grown equally, or have some areas benefited more than others?

Hon Mrs Ecker: While the deputy, and I don't know if we have some of the other tax officials here—we have seen as we anticipated that by reducing the taxes, doing that and taking other steps to help support economic growth in Ontario, we've actually seen a \$16-billion increase in our tax revenues. Those increases have come forward through a number of different taxes that we collect, revenue. I'm not sure if the deputy has some information on exactly which taxes we might have seen—he's looking at our budget here, so if we can't do an answer now we'll certainly be prepared to do it in more detail later.

Dr Bob Christie: Mr Mazzilli, just as some examples—because it varies year by year depending on which sector of the economy is strong over that period of time—from 1999-2000 to the projected level for this year, we've seen personal income tax grow by \$2 billion; we've seen retail sales tax grow by \$2 billion; corporations tax, as a result of the weakness of a couple of years ago, is actually lower; the employer health tax is up about \$700 million. Depending on the year, there will be a different source of revenue that's responding to the growth.

Hon Mrs Ecker: Actually, sorry, Mr Mazzilli, just because I see a startled reaction from the members of the opposition over here, one of the challenges that we faced last year was the substantial decline in the corporate income tax because of the impact of 9/11 on the economy. That was how we in Ontario saw it impact us significantly.

Mr Mazzilli: That's why I'm exploring this line of questioning, because the one thing that I always hear and continue to hear is that your tax cuts to large corporations are a giveaway. What I'm hearing from you is, obviously because of September 11 and some other economic situations worldwide, the corporations do not have the earnings that they did. In fact, if they don't make any money they wouldn't be paying any taxes no matter what the tax rate would be. Would that be correct?

1550

Dr Christie: Yes, Mr Mazzilli, that's correct. Again, to give some examples of the way this happens year by

year: between 1999-2000 and 2000-01, corporations tax grew by \$1.2 billion. Then between 2001-02, it dropped from \$9.2 billion to \$6.6 billion. It has basically stabilized and then begun to grow. This year we're expecting growth of about \$300 million in our corporations tax.

Mr Mazzilli: So the largest growth right now certainly appears to be on personal income tax and sales tax for this fiscal year.

Hon Mrs Ecker: And frankly, you would anticipate, with a million new jobs, a million more people working, fewer people on welfare, we do have more people who therefore would be eligible to pay personal income tax.

Mr Mazzilli: I know Mr O'Toole is anxious to have some time, so we could perhaps explore this at a further date.

Mr John O'Toole (Durham): Well, we'll just continue on the same line.

I first wanted to thank you, Minister, for being available to us again today. I'll start out by making a couple of observations and then more questions.

My first observation is that yesterday I was quite impressed with Mr Hampton's line of questioning. The leader of the third party has been very strong on the energy file. I was disappointed that Mr McGuinty wasn't here, because you're here, the Minister of Finance—the leaders were here. Clearly, we had the attention of the people of Ontario. I don't know whether there are any questions. The Leader of the Opposition is basically hide and go seek, perhaps.

The questions today are extremely important. In the House today we are dealing with the whole issue of insurance. It's an opposition day matter. I know that in your files it's a challenging file as well.

In the last couple of weeks I've been to the east coast on my own private time. I was intrigued when I was in on the last day of the Legislature in Nova Scotia that there were, I believe, seven questions that day and all of them were on auto insurance and home insurance; every single question to the leader, Premier Hamm. In that whole election in New Brunswick, I think it's the same thing. When I listen to the opposition, it's as if the only single problem is in Ontario. In context and in fairness—I've heard you respond to this, Minister, to talk about the reinsurance and the difficulty of the investment part of their portfolio and the returns on those things. It's my understanding, even when we came out of the NDP reign and attempted to deal with the amount of litigation—

Mr Ted Chudleigh (Halton): The reign of terror.

Mr O'Toole: The reign of terror, some would call it. I wouldn't be one who would do that, but I'm just recalling that. There was an attempt to increase the statutory benefits and there were other attempts—kind of the no-fault approach—where there was some abuse. I looked at the DACs, the designated assessment centres, as probably a lot of soft tissue stuff going on. The costs are going up in auto insurance; there's no question.

After I'm finished speaking for a while, you could probably answer some of these things.

I want to put on the record clearly—I'm anxious for Mr Phillips's line of questioning, because I looked at

their current election platform, and perhaps this isn't the right forum to be talking about politics—they're saying that there are no new tax increases. Well, we've just heard, from your previous response, that part of their plan—I've read it, although there are really no numbers in it; you have to go to their Web site. In question period and other formats, I've determined that they need about \$3 billion that they expect to save from eliminating any tax cuts. They're going to cancel all tax reductions, or what I call tax competitiveness decisions. In that, the revenue would then be bumped up by about \$3 billion.

You've just told us that the revenue from corporate tax and other business and individual taxes could be down a bit, if the economy is softening. On that, I think their plan is in some difficulty, and the race hasn't even started. I know they'll never achieve that, because they never keep most of the promises they make.

The other thing is that I'm getting a lot of questions in the tax area locally. I've met with council members. Some of the resolutions that are going through council are very much opposed to some of the platform information that's out there. Maybe this isn't the right format, but I'd like to put it on the record. They're saying they don't like this referendum issue. I'm saying, "We have in Ontario a Taxpayer Protection Act, and in that we can't go to the tax trough without going to the people of Ontario first. In that context, we're only asking the municipalities to do the same thing." I think it's fair. In fact, I'm surprised sometimes. If they asked the right questions to the taxpayers, I think the taxpayers would give them permission to increase taxes for an appropriate expenditure. Those things I think are best left up to the consumers, or the taxpayers in this case, to determine, whether it's a new arena, a new theatre, a museum or increased community safety. I think a lot of people would probably be supportive of those things. It all comes back home to you as the Minister of Finance. It's the same thing. You're making difficult but necessary decisions.

If you'd like to respond to the whole issue of the Taxpayer Protection Act, just to say, in your case, as the minister, that we have to balance the budget—that's a given—and we can't expect the consumers—that is, the taxpayers—to endlessly bail out governments. Maybe you could just generally respond to that. There's no specific question there. I just thought I'd give you some time, actually.

Hon Mrs Ecker: Thank you, Mr O'Toole, I think.

The Chair: There are about 10 minutes remaining, Minister.

Hon Mrs Ecker: That just might do it, Mr Chair.

The Chair: The question was only eight minutes long.

Hon Mrs Ecker: First of all, I'd like to, I think, congratulate the honourable member for taking time off to then go and sit in the Legislature of, I believe it was, Nova Scotia.

Mr O'Toole: New Brunswick.

Hon Mrs Ecker: New Brunswick—sorry. It certainly indicates a commitment to something.

Secondly, just because the question has been raised, it's my understanding that the Premier will be attending

the Juno Beach celebrations with veterans later this week, which I think is an excellent thing for him to do on behalf of our seniors and our veterans in Ontario.

The issues that you raise around tax increases and decreases, Mr O'Toole, I think are good, because the voters, the taxpayers, are going to have a clear choice between a party such as ours, that believes that a tax decrease, tax relief, is a good thing, not only because, for consumers, it leaves more of their hard-earned money in their hands to spend, invest, save, as they see fit to meet their own personal priorities, but also it's a good thing because of the positive impact that it has on the economy. We have seen that, with the growth rates that we have had in Ontario, faster than our trading partners. With the million new jobs, family incomes are up. For example, for the average two-parent family, family incomes are up about 19%; a single parent, about 30%, 33%. Home ownership is up. There are a number of strong indicators that economic growth and tax relief as part of our plan have been working.

Voters have a choice between a party that believes tax relief is important, has provided it and will continue to provide tax relief, and parties, such as the two opposition parties, that believe that relief is not a good thing and have actually pledged to increase or remove some of the tax relief that is there for consumers. I think that's important.

I must also mention that, yes, you're quite right. The Liberal Party is saying that by cancelling tax cuts, they'll save \$3 billion, and from that they're going to pay for all their promises. One of the challenges, of course, is that this has been promised three or four times over, for a number of different initiatives, which does raise some interesting questions there as well.

On auto insurance, we have seen auto insurance rates in this province in previous decades—for example, under the government that preceded ours, rates rose almost 25%. When we came in, we introduced the first piece of legislation, the Automobile Insurance Rate Stability Act, in 1996. We actually saw rates decline by over 12% because of the changes that we put into place.

There is no question that the auto insurance sector is facing significant challenges: the increased costs for health care, the increased costs for accidents, the increased costs for the reinsurance market, what's been happening to their investment income, all have served to put significant pressure on them.

1600

To deal with that we have been doing a couple of things. First of all, as you know, they must apply for approval to increase rates. The regulator goes through the material to make sure the information they're providing is valid to protect consumers. Secondly, we have been bringing down the sales tax on auto insurance premiums because auto insurance is mandatory. We've been providing additional tax relief on auto insurance premiums. It will be interesting to see if the Liberals will put that sales tax back on.

We introduced new legislation last fall and are in the process now of working with all the insurance stake-

holders on the regulations to implement that legislation. The goal of those changes will be to do a couple of things: first of all, to expand the rights of innocent victims to sue in certain cases; to provide a more generous treatment for young children who have been severely injured in car accidents; to make sure that consumers who are injured have faster access to commonly used treatments; also to deal with some fraud and abuse and misuse that has crept back into the system since the last round of changes we made. Those regulations have been out for consultation with representatives of all the different stakeholders, and I certainly look forward to bringing them in and implementing them very soon.

I should say, just very quickly, I must also welcome what I believe I heard from one of the Liberal members who asked me a question today: the Liberal Party's commitment to support those regulations. They have been out for consultation since February. I assumed Mr Smitherman, with his interest in this area, would have read them and I certainly took that as a commitment to support those regulations.

The Chair: Thank you, Minister. Mr Miller, about four minutes.

Mr Norm Miller (Parry Sound-Muskoka): I have a question to do with the capital tax. I had a developer of affordable housing in my area, what I would call a relatively small developer, whose assets in the last few years were just high enough that he had to pay the capital tax. I certainly view this as being an unproductive tax, a tax that is not good for productivity in the economy. In the case of this developer, he didn't realize he was just over this threshold and it ended up causing him all kinds of problems. He had to pay back taxes and there were penalties involved and it became quite onerous for him, and quite challenging for him to stay in business, as a matter of fact. I'm wondering what our plans are for the capital tax here in Ontario as we go forward.

Hon Mrs Ecker: The capital tax has been very problematic for businesses here in Ontario because it a profit-insensitive tax. Even though a company may not have income, it is expected to pay the capital tax. It is also a tax that has been a hindrance to investment. Canada is a country that has a capital tax structure, federally and provincially, that sticks out among different countries. So when investors are looking to come here, that's one of the reasons that can discourage them. Both the federal government and Ontario made a commitment to eliminate the capital tax. We've taken the first step. Actually, we had taken a step in the previous budget, but a significant step in this budget, to reduce it by 10% by I believe January 1, 2004. We think it's a significant step to start eliminating a job-killing tax, and the federal government is taking steps with us as well.

Mr Miller: What is the current threshold at which you have to pay capital tax, and is that changing?

Hon Mrs Ecker: I'll have the deputy answer some of the detailed questions. We've run into concerns from businesses on thresholds, both with capital tax and with the small business income tax because, as you get to

different levels, they have to keep track of where they are so they know when they're eligible to pay the tax. For small business, for example, we have increased the threshold so more small businesses can benefit from that tax. We have a business advisory group that is looking at better ways to communicate so that our small businesses are not caught on the threshold, that somehow or other they can have notification or information so they don't get caught in this owing-back-tax issue.

Deputy, do you want to add some further details?

Dr Christie: In terms of the threshold, in 1995 the threshold was assets or revenue greater than \$1 million. That has been increased over the years so that, for example, currently the threshold is a capital tax exemption of \$5 million in taxable capital.

The Chair: We'll now turn to the official opposition.

Mr Gerry Phillips (Scarborough-Agincourt): I'll just pursue the issue of where you're going to find the money for the tax cuts and just say that I take with a grain of salt the tax cut promises. You still haven't implemented the ones you promised in 1999. In fact, I think you've abandoned one of them. You have the distinction of being the first Minister of Finance to actually break the Taxpayer Protection Act. I'm acutely aware of that because I never thought you would break it. I said I'd eat my hat if you did, and you did; you just broke it. I ate my hat because I actually thought you believed in the Taxpayer Protection Act. So if the public is skeptical, they have good reason. It was just a year ago that you abandoned \$1.5 billion in tax cuts.

I want to pursue the issue that we pursued yesterday: the high risk in this budget. I want you to either refute or confirm these numbers. In your budget you're assuming \$2.2 billion of asset sales. You're assuming, I gather, an incremental spending on SARS, according to what you said yesterday, of over \$800 million. You're assuming you will find cost savings of \$800 million, unidentified cost savings; you've just said, "We're going to find cost savings of \$800 million."

You've put in your budget \$771 million from the federal government. The federal government says it will be available only after they run a surplus that is above their normal contingency reserve. If the economy is one point below your expectations, that's I gather about \$600 million. That's about a \$5-million risk factor in the budget, as I understand it. Are any of those numbers incorrect?

Hon Mrs Ecker: Old habits in the House die hard. The fiscal plan that we've put forward is a plan that we will balance the budget for the fifth consecutive time. We have done that before. I know the opposition has always said it couldn't be done, has always voted against every spending decrease, has always said it wasn't enough when we had a spending increase, has always voted against any tax relief which has been part of helping the economy grow and increase our revenues. So I understand where they're coming from on this, and also when you look at their governments' records in terms of racking up deficits and debt. Our government was the

first one to stand up and say that we will balance the budget when actually—

Mr Phillips: Are any of my numbers wrong, Minister? Just answer that question.

Hon Mrs Ecker: This budget is designed to balance, as the last four have. I think it's important that we recognize that.

The other thing is the Taxpayer Protection Act. Again, we were the first government to bring in legislation that said you have to ask the permission of taxpayers before you can increase a tax.

The Chair: Minister, I want us to avoid getting into any whatever, but the general guideline is that when it's the opposition's time, they get to direct the subject matter. I want to give you as much latitude to answer as possible; there's also a choice you can make not to answer the question. I just want to make sure we have the ground rules. The same will apply to the government bench and to the opposition. But if Mr Phillips has asked a specific question, he is within his rights to direct you to that and I will support that. But within latitude, Minister, you're welcome to do that. I just want to make sure it's understood that it is the opposition's time, and if they want to focus it more narrowly, that's up to them.

1610

Mr Phillips: Are any of the numbers I gave you incorrect?

Hon Mrs Ecker: We put out forecasts for revenues and expenditures in our budgets. That is not a new practice. That is something we have followed. We design our plan to have—

Mr Phillips: Are any of my numbers incorrect? That's all I want to know.

Hon Mrs Ecker: Well, you are saying we're not going to balance the budget.

Mr Phillips: No, I'm not. I gave you five numbers that are—

Hon Mrs Ecker: Yes, you are.

Mr Phillips: I gave you five numbers. Are any of them incorrect, Minister? Can you possibly answer that simple question?

Hon Mrs Ecker: First of all, the budget is very clear in terms of the estimates we've put out. Frankly, I think it's also important to recognize—I must say, the honourable member is concerned about the federal government's commitment on its obligation to Canadians. The February 2003 first ministers' meeting—

Mr Phillips: Honestly, Chair. Can you answer the question? Are any of my numbers incorrect? I'm using your numbers. Are any of them incorrect?

Hon Mrs Ecker: Run the numbers by me again and I'll go through them if you'd like.

Mr Phillips: The \$2.2 billion in asset sales.

Hon Mrs Ecker: That's in the budget. The sales and rental line says \$2.2 billion. Everybody can read—

Mr Phillips: OK, fine, that's right then. You said yesterday that SARS was over \$800 million of incremental spending.

Hon Mrs Ecker: All of these are public numbers.

Mr Phillips: So that's right. Then the—

Hon Mrs Ecker: I'm glad the honourable member can read our press announcements, and I hope you would ask Ottawa to do something more—

Mr Phillips: Please don't insult the public. I asked you a question, Minister.

Hon Mrs Ecker: No, I'm not insulting the public.

Mr Phillips: Are the five numbers I gave you correct or not? Just answer me, yes or no.

Hon Mrs Ecker: If you're using the public numbers that are in our budget and in our public press releases, they are correct. If you are using estimates that you've made up, no.

Mr Phillips: I just gave you the numbers, Minister. Are they right or wrong?

Hon Mrs Ecker: We've talked about two of them. What were the other three?

Mr Phillips: Do you not listen to the questions, Minister, or are you just going to—\$771 million from the federal government: right or wrong?

Hon Mrs Ecker: That's an accurate number. Ottawa has pledged to give us more money on health. That was a pledge they made in February, and in the respective budgets of Ontario, Quebec, Manitoba and PEI, we've all booked our respective shares of the CHST top-up.

Mr Phillips: The \$800-million savings: right or wrong?

Hon Mrs Ecker: Actually, I think the number is closer to \$700 million. It was a \$500-million savings target that we put in there. We usually have savings of \$200 million—

Mr Phillips: If you add them up, it's \$800 million. Is that right, Deputy?

Dr Christie: I believe it's \$200 million in operating and \$100 million in capital.

Hon Mrs Ecker: Yes, so \$300 million.

Mr Phillips: And \$500 million in savings, so it's \$800 million. So that number is right, Minister.

Hon Mrs Ecker: All those numbers are in the budget.

Mr Phillips: Why did you not simply say, "Yes, you're right. It is the \$5-billion number that you quoted"?

Hon Mrs Ecker: Because you are trying to imply something I do not believe to be true.

Mr Phillips: What am I trying to imply?

Hon Mrs Ecker: If you'll forgive me for being cautious, we put numbers out there in the budget, so if you wish to reiterate numbers that are in the budget, we can do that.

Mr Phillips: So the \$5 billion is a correct number, then?

Hon Mrs Ecker: You are trying to imply that the budget is not balanced.

Mr Phillips: No.

Hon Mrs Ecker: That is not correct.

Mr Phillips: Did I say that?

Hon Mrs Ecker: I think we need to be very clear here. That's what you're trying to imply. It is our commitment, for the fifth time, since we've done it four

times, to balance the budget again, and we will expect your supportive steps to do so.

Mr Phillips: I therefore take it that there is a \$5-billion risk in the budget. That is a fact, with the \$2.2-billion asset sales that you've refused to identify. You've acknowledged that there's over \$800 million of spending on SARS that's not in the budget. It's not in the budget; you've added that. There's \$800 million of cost savings and you've not identified any of that. There's \$770 million from the federal government that's only available if they run a significant surplus; you've acknowledged that. The one that is uncertain is whether there's \$600 million of lost revenue—there is a one-point economic downturn. So Minister, I say to you again, I do think your budget is high risk.

I want to pursue again the tax cut issue. You said in 1999 that you would cut the residential portion of property tax by 20%, that the tax cut will put \$500 million back in the hands of individuals and families. Is that 20% cut in residential education property tax complete?

Hon Mrs Ecker: Actually, we have provided more than that amount of tax relief. We made a 10% reduction in the residential property tax. What we saw was that very few taxpayers actually saw that tax relief, so what we have done is to meet the additional 10% by providing focused tax relief for our seniors on their property taxes—\$450 million worth of tax relief for our seniors. It works out to approximately \$475 for a senior household, whether a renter or an owner. So we have actually provided additional tax relief above and beyond the amount of dollars we promised in 1999. As I said, the reason we made the change in how we provided that tax relief was because the majority of municipalities moved into the tax room, the tax break that we gave property owners the first time around.

Mr Phillips: So you broke the promise. You're just not going ahead with it.

Hon Mrs Ecker: I don't agree with that. We've promised—

Mr Phillips: That's a fact.

Hon Mrs Ecker: No, it's not.

Mr Phillips: It is a fact that you didn't proceed with that. The people in my area, everyone, were promised that they would get a 10% cut in residential—it's gone. It's not going to happen. Then that's not true.

Hon Mrs Ecker: I know the Liberal Party is a little sensitive on the fact that they have said they're going to take away—

Mr Phillips: I'm not sensitive. I didn't make the promise.

Hon Mrs Ecker: —\$450 million of tax relief for seniors. I know they are a little sensitive on that point. But we think seniors deserve a tax break. For many seniors living on fixed incomes, property taxes have been a struggle for them to meet. So the tax relief we are providing for seniors is actually exceeding the tax relief promise we made in 1999.

Mr Phillips: The first point I'd make to the public is that you're once again making promises I don't think you can keep. I don't think your budget provides the money to keep the promises, and the proof of it is you've had to cancel \$1.5 billion in tax cuts that you solemnly promised a year ago. In fact, you had to break your own Taxpayer Protection Act to do it.

Hon Mrs Ecker: We did not cancel any tax cuts.

Mr Phillips: You did.

Hon Mrs Ecker: First of all, the budget last year had tax relief in it, like every budget has had tax cuts in it. There was additional tax relief in last year's budget. Maybe the honourable member from the Liberal Party thinks that having some 45,000 more modest income Ontarians dropped off the income tax rolls, so they don't have to pay Ontario income tax, is not a significant tax cut.

Mr Phillips: Do you know what I think? I don't think you can keep your promises, Minister, and the proof of it—

Hon Mrs Ecker: That indeed is significant tax relief. I don't know, you may well be going to raise their taxes. It's hard to tell from the Liberal platform.

Mr Phillips: How much time have I got, Mr Chair?

The Chair: About 10 minutes.

Hon Mrs Ecker: In addition, we have provided additional property tax relief by focusing more tax relief on our seniors, because we believe tax cuts work.

Mr Phillips: Thank you, Minister. Let me just say to the public that, firstly, this Taxpayer Protection Act isn't worth the paper it's written on.

Hon Mrs Ecker: So you're going to scrap it, are you, Mr Phillips?

Mr Phillips: The government at the very first hint of difficulty abandoned it, and that's not me speaking, this is what the—

Hon Mrs Ecker: That's simply not accurate, Mr Chair.

The Chair: Madam Minister, I'm only trying to, if you could stay minimally—please, let the member speak.

Mr Phillips: This is what the government said. This is the government's own document. How can the government justify breaking the Taxpayer Protection Act? Then it went on to justify it by quoting Moody's. The reason it was delayed was to meet the government's target of a balanced budget. The government was forced to delay tax cuts. It makes the point, you see, that the government itself acknowledged that it couldn't raise its revenue and proceed with the tax cuts. It had to abandon it. The second proof of it is—

Hon Mrs Ecker: It did no such thing.

Mr Phillips: There were two tax cut promises solemnly made in 1999, and neither has been proceeded with. What we raised yesterday were serious concerns about whether in fact you once again are going to have to break your promise and break the Taxpayer Protection Act. The reason I raise these issues is that you have acknowledged you've got \$2.2 billion worth of asset sales. The last time we saw any number like this was that

dreaded 407 sale, where Mr Eves sold the 407. The last provincial election was called on May 5, 1999. That's the day the 407 deal closed.

1620

Hon Mrs Ecker: With all due respect, Mr Chair, last year's budget had a \$2-billion sales and assets line in it, so I think the record—

Mr Phillips: Second, the only way last year's budget was balanced—

Hon Mrs Ecker: —needs to be accurate. Last year there was that sale—

The Chair: Minister, I would ask for your—

Mr Phillips: —the government took \$1 billion of federal health money that was scheduled to be spent on health in the next three years and put it all into last year—

Hon Mrs Ecker: That's not accurate, Mr Chair.

Mr Phillips: —\$1 billion of tax money.

Hon Mrs Ecker: That is not accurate, Mr Chair. Ottawa—

The Chair: Order, Minister.

Hon Mrs Ecker: —provided that money. It was booked exactly the way Ottawa provided that money.

Mr Phillips: It is completely accurate. The minister may not want to hear that and—

Hon Mrs Ecker: Other provinces have done that, Mr Chair. I think Mr Phillips intends to make it look like it was in—

The Chair: Order, Minister.

Mr Phillips: She shouldn't be yelling like this. She's out of control, Mr Chair.

The Chair: Minister, order. Minister, I will have order in this committee.

Hon Mrs Ecker: It's not accurate. I think the record should be accurate.

Mr Phillips: It is completely accurate if you look at the—

The Chair: Minister, I will state for the benefit of the committee members, Mr O'Toole phrased a question of some length. Mr Phillips will have the same privilege at this committee. This time belongs to each of the parties to use as they see fit, and they elicit your co-operation. But, Minister, we will not have heckling, one speaking over, and I will interject. I will ask Mr Phillips to finish his question. I will give you the courtesy of an opportunity to answer that question. I ask for your co-operation in that regard.

Mr Phillips: I used the numbers from the government itself of the high risk. The stranded debt in electricity: you've indicated that there will be no increase in the stranded debt over the next two years. I'd like some assurance that in fact that represents reality, that the bureaucracy have looked at that and can assure us that the stranded debt is not going to change over the next two years—the one that we're in right now and next year.

Ms Sadlier-Brown: The stranded debt is essentially an amount that was fixed originally as a result of the financial restructuring of the companies. The residual part of that, which was originally estimated at \$7.8 bil-

lion, is an estimate, and I think we will be doing reviews of those as we go through and see the market opening. It is impacted by a whole range of factors, including prices, performance of the companies etc.

Mr Phillips: But in the budget, Minister, you've said that this year and next year there will be no increase or decrease in the stranded debt, and that has a profound impact on the surplus. I just want to know that the bureaucracy has looked at this and that in fact that is their professional opinion.

Ms Sadlier-Brown: Yes, Mr Phillips. In the budget, the estimates are that the stranded debt will stay even, and we think that was a prudent estimate.

Mr Phillips: So the books have closed on last year; there was no change in the stranded debt?

Ms Sadlier-Brown: I'll just check the numbers. Yes, those are the interim numbers.

Mr Phillips: OK.

The government indicated that the Fair Share health levy was the fairest way to meet the health needs. The government document said, "We believe the new Fair Share health levy, based on the ability to pay, meets the test of fairness requirements of the Canada Health Act and we believe this is the fairest way of handling it."

You indicated you're eliminating one of the major Fair Share health levies. Why would you have said that the Fair Share health levy was the fair way to do it and now you're eliminating them?

Hon Mrs Ecker: The surtax, as it is called, has been an impediment for attracting and keeping some of the best entrepreneurs and innovators and managerial and professional class in Ontario. Since the goal of our tax relief plan is to take steps to increase jobs, growth, economic activity in the province, this was one of the taxes where we felt that further relief was necessary to help encourage that economic growth and those jobs.

Mr Phillips: But I didn't name it the Fair Share health levy; you did. It wasn't me who made that statement that it was the fairest way to handle it. Were you wrong when you made that decision in the campaign?

Hon Mrs Ecker: We can certainly sit here and talk about your past campaigns and our past campaigns.

We have increased investments in health by some \$10 billion over the last eight years. Unfortunately, only roughly \$1.3 billion of that, as I recall—I can check that number—has been because of increased revenues from Ottawa. We are continuing to invest in health.

At the same time, we recognize the need to provide the kind of tax relief that stimulates the economic growth to give us the money to do those kinds of investments in health care.

Mr Phillips: I want to return to the \$800 million of extra money that you've indicated for SARS, plus that \$800 million in cost savings. Can you indicate to us where you're going to find that \$1.6 billion?

Hon Mrs Ecker: As we do every year with a budget, we have estimates of revenues and expenditures. We will find additional savings. We have contingency funds. We

also have estimates about economic growth and several other factors.

At the end of the day, we will balance the budget, as we have the four previous years, and at the same time make—

Mr Phillips: Can you give us any indication at all where you're going to find the \$1.6 billion?

Hon Mrs Ecker: We're going to make reductions where it is appropriate. Again, we have done this before. Frankly, if you look at the record, if you factor out our two priority programs of health and education, we have a 30% reduction in administration spending—

Mr Phillips: So after eight years you can find \$1.6 billion in savings?

Hon Mrs Ecker: —and we will be moving forward to find additional savings. As those savings are found, we'll be quite pleased to share that information publicly, as we always do.

The Chair: Minister, thank you for your response. We now turn to the third party and Mr Prue.

Mr Prue: I'm going to go back to hydro again for a minute. The Ontario Electricity Financial Corp is responsible for the hydro debt; would that be correct?

Hon Mrs Ecker: They manage that debt, yes.

Mr Prue: In your budget, on page 62, it shows whether there are any increases or decreases in that Ontario Hydro stranded debt. The debt since 1999 has actually increased by \$365 million; is that correct?

Hon Mrs Ecker: Overall debt for hydro has decreased, actually. As Karen has explained and can explain to you, there have been different debt categories, if you will. But whether it's the Visa card or the mortgage or whatever, debt is debt. It has actually decreased overall. Karen could certainly—

Mr Prue: I'm asking particularly about the stranded debt. You'll see where my questions are going in a minute. Has the stranded debt increased or decreased?

Hon Mrs Ecker: I'm just bringing up one of the other officials to deal with the issue.

Dr Christie: This is Gadi Mayman from the Ontario Financing Authority, which also supports the Ontario Electricity Financial Corp.

Mr Gadi Mayman: As the minister has said, there have been a number of adjustments to the stranded debt. There were some opening adjustments going back to 1999 that corrected a number in 1999 that had been underestimated in terms of a working capital adjustment.

More recently, the performance in fiscal 2001-02 was lower than expected because earnings at OPG and Hydro One were lower due to the costs of the Pickering A restart program, some employee severance charges for OPG and Hydro One's distribution rate mitigation package.

In the most recent year, in the statements for 2002-03, which have not been finalized yet, the preliminary numbers actually show stranded debt decreasing by \$40 million for 2002-03.

Mr Prue: So that it's in my head, has the stranded debt gone up or down since 1999?

Mr Mayman: Because of the accounting adjustments, they are higher than they appeared originally in 1999.

Mr Prue: How much higher?

Mr Mayman: Six hundred million dollars.

Mr Prue: And you think they are going down by \$40 million, more or less, by the time the accounting is done this year?

Mr Mayman: We don't have the final accounting numbers for 2002-03. The final statements for OEFC are usually released around the same time as public accounts, but the preliminary numbers as included in this year's budget show stranded debt declining by \$40 million, yes.

Mr Prue: I'm a little puzzled. When I get my bill, and I think when every consumer gets their electricity bill every month or every couple of months, there is a line on there that says we pay 0.7 cents a kilowatt hour in debt retirement, and we've been doing that since May 1, 2002. That, to my brain, works out to three quarters of a billion dollars a year. Have we not been paying this off?

1630

Mr Mayman: Yes, the DRC, as you mentioned, Mr Prue, has been collected since May 1, 2002, when the market opened. It is part of the assortment of payments that goes to the OEFC to pay off the \$38 billion in debt that was left over from the old Ontario Hydro. There is another series of payments that comes in, including notes from the successor companies, OPG and Hydro One: payments in lieu of corporate taxes from those companies; the debt retirement charge, as you've mentioned, is another one; and dedicated income from the electricity sector—in other words, income from the two successor companies, OPG and Hydro One, that is in excess of what the government's investment is. Those revenues all come in. There are a series of expenditures that OEFC has, the main one being interest on the \$38 billion in debt that was left over from the old Ontario Hydro. In the end, whatever the balance is, if there's more revenue coming in than expenditure strand, the debt goes down, as it did in the year just completed.

Mr Prue: So we take from the consumer about three quarters of a billion dollars a year to pay down the stranded debt and we pay down \$40 million—or am I not understanding this? The rest is all the other charges and all the other things that are going right and wrong.

Mr Mayman: Most of it is interest charges on the \$38 billion in liabilities that were left over from the old Ontario Hydro, yes.

Mr Prue: So people are paying this money, expecting that over a 20- or 30-year period we're going to pay off the stranded debt. We're not; not at \$40 million. Is it a pretty fair assumption that this is never going to pay down that debt?

Mr Mayman: The latest financial statements, audited by the Provincial Auditor, say that the stranded debt will be paid off by 2012. The range that has been out there since 1999 has been between 2010 and 2017. That year will be reviewed again as the Provincial Auditor looks at this year's statements, but we have no reason to believe

that it will go outside of the range that it already was, from 2010 to 2017.

Mr Prue: Again, I need to understand this. If it's only \$40 million, out of three quarters of a billion, that's actually going to be paid down, how could you possibly have that hope of being on target?

Mr Mayman: If you put in the model that shows all the revenues and expenditures over the next 10 years, while last year only had it paid down by \$40 million, over time the model does indicate—and the model has been audited and looked at by the Provincial Auditor as well as by an outside independent audit company. It says that with the series of payments that are expected from the successor companies, with the payments that are coming from the debt retirement charge, the expectation is that the stranded debt will be paid off by 2012.

Hon Mrs Ecker: I think it's important to note that we are the first government that has actually stood up and said we have to deal with this debt rather than, as previous governments did, not deal with it. We put a plan in place to start dealing with this debt.

Mr Prue: I hope I'm still around in 2012 to actually see this.

Hon Mrs Ecker: It's a heck of a lot better record than your government, which racked up that debt.

Mr Prue: My government is 18 months old. I've only been here 18 months. I didn't rack up any debts at all.

Hon Mrs Ecker: The government whose party was in power between 1990 and 1995.

Mr Prue: I suppose. I'm pretty proud of them most times.

Hydro, but it could be other things—I'd like to go back to a question asked by Mr Phillips about the \$2.2 billion in asset sales or rentals. I saw in the last couple of days that one of the asset sales, which I as an MPP had not even heard of, that was proposed was the ONR, and that did not go through. I did see something go through for the Province of Ontario Savings Office earlier this year. What other crown corporations or assets are being considered for sale?

Hon Mrs Ecker: As we clearly indicated in last year's budget and this year's budget, first of all we have reviewed and continue to review all public assets. We are reviewing Teranet. We've looked at some of the other land holdings, for example, that the Ontario government has. We have been divesting ourselves of those on a regular basis and we're looking at all public assets that we own and manage on behalf of taxpayers. If there are ways to get a better value for taxpayers, if there's a business case to make changes that might benefit taxpayers, we indeed make those changes.

Mr Prue: Well, \$2.2 billion is a lot of assets. It's a lot. It could be Hydro. Is that something you're still looking at selling?

Hon Mrs Ecker: Two points, just in answering: first of all, we've been clear that Hydro One is staying in public ownership. But last year we had a figure in the sales and rental line of over \$2 billion. Total revenues for 2002-03 that were reported in the budget were within

0.2% of the budget forecast. So even though that particular revenue projection was not realized, we were still 0.2% within our budget forecast. The budget was balanced and ours was the second most accurate revenue forecast by Canadian governments last year. Just as a point of comparison, the federal government's forecast of total revenue varied by 2.3% from the original projections. I say that not as a criticism of the federal government at all, but just to make the point that those estimates can vary. It is anticipated that many will vary and that's why you make year-end adjustments.

Mr Prue: OK. But again, I'm trying to figure out what assets I can look forward to being sold off in the coming year. That's what the question is: what are the assets that conceivably could be worth \$2.2 billion? I'm trying to think in my head. Hydro could be one, but you're not going to do that. The Liquor Control Board of Ontario I guess could be another. That might be worth about \$1 billion. Are you looking to sell that off, or more? Is that one of them? I'm just trying to figure out which ones.

Hon Mrs Ecker: First of all, we are not in the business of doing fire sales of assets. We are in the business of managing public assets on behalf of taxpayers in a way that maximizes that value for taxpayers. For example, last year I think is a good case in point. We reviewed Hydro One. The decision was made that Hydro One should stay in public ownership. We reviewed the Province of Ontario Savings Office and the decision was that it made better sense for consumers using that service, for the communities that had those banking institutions located in them, for taxpayers, to divest ourselves of this asset, and Desjardins Credit Union is now providing improved service there for the POSO banks.

Again, I don't wish to speculate. I appreciate the intent of the question, but the honourable member is asking me to speculate. If and when decisions are made to change the way a particular asset is managed, we'll certainly be communicating that.

Mr Prue: You also talked about land holdings. I would assume, then, that you are intent upon selling land somewhere in the province.

Hon Mrs Ecker: We've been doing that since 1996, if I recall, and we've been very open about doing that. The process by which we do that is—again, it depends on the land parcel—through Ontario Realty Corp. Land is put on the market and we indeed sell it. For example, in my riding we had a very important initiative where we sold land that we owned in something that had been designated by the city of Pickering and the region of Durham as an agricultural preserve, to stay as an agricultural preserve. We actually sold that land back to many of the tenant farmers, some of whom had been there for generations. We did an agreement between the city of Pickering and the region of Durham to have agricultural easements to protect that land. It is unfortunate that my Liberal opponent, the mayor of Pickering, is now attempting to develop that land. But there's an example of where we sold land, and actually sold it in a way that

will protect it for green space and agricultural use in the future.

Mr Prue: But that was sold in the millions of dollars, not in the billions, was it not?

1640

Hon Mrs Ecker: For that particular parcel of land, the agricultural preserve, I can certainly check and see if there are some details on the numbers.

Mr Prue: OK, but I'm trying to get my head around this. These would be enormous swaths of land that have to be sold for \$2.2 billion—enormous. Are any of our parks at risk?

Hon Mrs Ecker: Mr Prue, first of all, as you will note when you look back, at the end of the year, the actual revenue that has come in on the sales and rental line has varied. Sometimes it's been \$600 million, sometimes it's been \$300 million; in one particular year, it was over \$2 billion. So it is an estimate. It may or not be met. It is one of many estimates that go into making up a budget, with flexibility of contingency funds and reserves, making in-year decisions, so that at the end of the day we balance the budget, as we committed to do.

Mr Prue: One of the things that was leased, I guess, as opposed to sold—maybe it was sold as well—was the Bruce nuclear station. Is there any thought of selling Pickering?

Hon Mrs Ecker: The Bruce nuclear station actually was a very good deal, not only for taxpayers but also for that particular community, for the jobs. It was a plant that was not functioning the way it should function. With private sector management, it indeed is functioning at a better rate, and we might actually get more than we anticipated out of that. So that was a good deal all around, a win-win all around for the community.

Mr Prue: I'm not commenting on the deal. I'm just saying—

Hon Mrs Ecker: No. You've asked me about that plan.

Mr Prue: —you've sold that one; are you considering selling Pickering? Mr Miller says yes, but I want to hear it from you.

Hon Mrs Ecker: Our goal with the Pickering plant is to ensure that we get to the bottom of the cause of the delays. That's our first priority so we can get that plant up and running.

Mr Prue: So that's not on the auction block at this point?

Hon Mrs Ecker: I'm not aware of any plans. Certainly, the government does not have any plans before it on Pickering right now. Our goal, as I said, is to make sure that the Pickering plant can get up and running the way it should, that it can do it in a way that is safe. When we came into power in 1995-96, that plant had been—I don't think I'm being overly dramatic here—virtually run into the ground under previous governments. There were questions about safety etc. We've been working to repair the damage done under previous administrations so the plant can be up and running, not only for the residents of

Pickering and the area in terms of the jobs that it creates, but also for the power that it produces.

Mr Prue: Are there any other assets owned by OPG that you are considering selling to get at or near this \$2.2 billion?

Hon Mrs Ecker: As you well know, Mr Prue, OPG does have to divest itself of assets. That was part of electricity restructuring. So there's no secret about that. Again, I can't comment on what plans OPG may or may not bring forward, but that is part of the market and the arrangements that have been made. We have been very open and public about that.

We also have some assets that we're reviewing: the Highway 400-series service centres. There are 24 such centres along the highways, just to mention another one. There are a number of public assets that we continually review to make sure that we're maximizing the value for taxpayers.

Mr Prue: Mr Chairman, how much time do I have left?

The Chair: Mr Prue, you have approximately three minutes.

Mr Prue: I guess I've run out of questions about energy for the moment. Let's go over to the seniors' property tax rebate. There's no cap on this. The criticism I have seen from the opposition and from many of the newspapers, including ones friendly to the government, including the Toronto Sun, is that there should be a cap, that there are people out there with \$6-million homes who are going to see a pretty big windfall. Can you tell me why you've not put a cap on it and why it's going to cost the government that extra money? I understand the reason to help poor seniors. I understand that.

Mr Mazzilli: But you still oppose it.

Mr Prue: I understand that, but why is there no cap?

Hon Mrs Ecker: You are quite correct, Mr Prue. There is no cap on this. We feel that tax relief for seniors is important to provide. We are indeed doing that. For many seniors who may well be of modest incomes, of modest means, they may well have been in a home that was purchased several decades ago. There might be considerable value in that home today, but that senior may well be of modest income. So I think it is a little bit difficult to make those distinctions. We recognize seniors' contributions. We think this tax relief will help support seniors. As I said, the majority are of modest means and living on fixed incomes.

Mr Prue: Clearly, the Income Tax Act and the filing of income tax would separate those who are of modest means from those who are not, would it not? Would that not be a better instrument than a home or an apartment?

Hon Mrs Ecker: Actually, seniors have benefited from personal tax relief through the Income Tax Act, through the personal income tax, but also I think it's fair to note that those seniors who are wealthier do pay more income tax.

Mr Prue: Again, I get back—the name Frank Stronach has been used many times, and other names as well. Why would the government believe that expending

public monies in such a way, or giving back monies in such a way, was good social or financial policy to an individual like that and hundreds or thousands like him across the province? Why does that make for good financial or social policy?

Hon Mrs Ecker: Well, I think you will find that there are many more Mr or Mrs Smiths who are living on very modest incomes as opposed to Mr Stronachs, and we know that the majority of seniors in this province—first of all, all seniors have very much contributed to the success of this province and we feel that this tax relief does help recognize that and helps support them. We believe that extra help is very much of benefit to seniors.

Mr Prue: A lot of seniors—

The Chair: Mr Prue, I'm sorry. We've arrived at the end of the time for this round. You will have another opportunity.

Mr Chudleigh: Minister, we've listened to the opposition suggest that the balanced budget is in some dire straits. I just wondered if there might not be another promise of another meal of a hat if the balanced budget didn't occur. Perhaps the member for Scarborough-Agincourt would like to commit to that here and now.

Mr Phillips: I learned my lesson to not believe anything you say any more. I had to eat my hat when I actually thought you believed in the Taxpayer Protection Act.

Hon Mrs Ecker: We do, Mr Phillips.

Mr Phillips: So I said to the public, "They'll keep their promise on the Taxpayer Protection Act," and they didn't.

Mr Chudleigh: I guess there's no hat in the future there, and of course the member for Scarborough-Agincourt has ignored in his formula the \$1-billion contingency fund we have in our budget and also perhaps some of the money that might be forthcoming from the federal government for our SARS program.

What I'd like to concentrate on is the job creation we have had over the last eight years of our government in Ontario—over a million new jobs, over a million new taxpayers—which has allowed us to make the investments in health care and education that Ontarians expect and need and what we so desperately want to have happen in Ontario.

Minister, could you comment on some of the things that create an environment around which jobs are created, what employers who are contemplating coming to Ontario are looking for in a jurisdiction in order to encourage them to set up their new plants and hire their new employees, and how that leads to increased jobs?

Hon Mrs Ecker: There are a number of things that need to be in place to attract jobs, to keep jobs and to encourage the growth and prosperity that we've seen in Ontario. Obviously, a competitive tax structure is part of that, so we need to make sure that the taxes individuals and businesses pay here in Ontario are competitive with other jurisdictions. That's how you attract and keep jobs here.

Secondly, more money that individuals and businesses have to use and don't have to give to the government, that they can use to address their own priorities, helps to spur investments, for example, in expanding a business. It helps to support hiring more employees—for example, reducing payroll taxes, something this government has done because a payroll tax, quite frankly, penalizes a company for hiring more workers. So you have to have the competitive tax structure in place.

1650

The second thing is to make sure you have the skilled workforce available so there are people here to fill the available jobs. When a business wishes to expand or move into a new product area or something like that, they have to have the workers here to hire to do that job. That's one of the reasons why, for our government and for me personally, improving the standards and quality in our education system from K to 12, and also expanding the post-secondary system, as we have, by 135,000 spaces—and we're working on that expansion. That makes sure that people have the skills they need, not only to do jobs but also to continue to learn as technology changes. I think that's another important priority.

We've also taken steps to remove unnecessary regulations and red tape that do not protect consumers, that do not provide better benefits, any regulatory benefits that quite simply duplicate other steps, for example, or have outlived their usefulness or create a barrier to investment and growth without providing a benefit for taxpayers or consumers. We have eliminated some 2,000 regulations. I hear from the small business community particularly, many of those organizations that represent small business and from our small business advisory group, that we need to continue to do more to minimize red tape as opposed to increasing it. That's another important step.

Keeping the budget balanced is another important step, as is investing in the kind of infrastructure that helps support jobs and growth in our communities; for example, innovation and new technologies. We support that in a number of ways, most recently through the fund we set up to help the automotive sector, and also through infrastructure like roads. Roads are an important economic building block, if you will, because of course companies need to transport their goods to market, especially with the North American free trade agreement, which has been of great benefit to this province. Having good roads and good security at the border crossings so our goods can move freely between the United States and Ontario is another important structure.

Those are some of the steps we've taken and the steps we will continue to take. You may well have seen the prosperity report that was released, Roger Martin's report on prosperity and innovation. It makes further recommendations. The Ontario Jobs and Investment Board report also has some recommendations that the government's been following to make sure that economic growth can continue.

Mr Chudleigh: You hear a lot of talk about our job growth being just part and parcel of the American

economy, and of course the automobile industry is a very important industry to Ontario. It does create a large number of jobs for us, but it is not the only industry in Ontario. If this was true, it would mean that Michigan, which produces even more cars than Ontario, was doing as well as Ontario. Could you comment on how the Michigan economy is doing vis-à-vis the Ontario economy?

Hon Mrs Ecker: Actually, one of the interesting things that we see with job growth in Ontario is that we have been growing at a faster rate than our American partners in the United States. We've been growing faster than Michigan. When you look at the growth rate numbers—which I know are here somewhere before me and I can't quite recall them right at the moment—we have been growing faster than states like Michigan. I think one of—

Mr Chudleigh: Three times.

Hon Mrs Ecker: Pardon?

Mr Chudleigh: Three times faster.

Hon Mrs Ecker: Three times. Thank you. One of the criticisms we often hear from the opposition is that somehow or other our growth is only because the American economy has been growing. There's no question that we need the American economy to be strong, but we've also proven that Ontario has a very strong and resilient economy that is capable of growing, as it has, on its own, through very strong domestic demand. So that is also part of the record we have seen here in Ontario, and we need to keep that record going.

I think it's important for taxpayers to recognize that it does matter which government is in Queen's Park and it does matter what decisions a government makes. In what we have called the lost decade, between 1985 and 1995, we certainly saw, with some of the decisions that were made—for example, high taxes—decreases in jobs. With a different economic plan, you have seen this province be able to grow.

I've just been handed a chart here that actually shows that Ontario leads North America in manufacturing job creation, for example. We're leading the US states and the Canadian provinces. We actually lead the G7 in manufacturing job growth.

Again, I think those are signs of the strength of the Ontario economy, and we need to make sure we can continue to do that.

Mr Mazzilli: Minister, I just want to follow up, if I could, on the seniors' tax credit. Again, obviously the opposition rejects that credit. Yesterday they were going down the path that somehow it was going to cost money to administer it and a stamp to mail the cheque back out to our seniors. We've also heard other areas they explore, that somehow a few people on the top end are going to benefit from that tax credit, and certainly a few people on the lower end will benefit less. But in between all of that is that 80% of the population which will fall within the average.

Yesterday we heard that a \$200,000 home would get you approximately \$670 back. What is the average house

price within the province of Ontario? Do you or any of your tax officials have that number?

Hon Mrs Ecker: We can just look that up if you'd like, Mr Mazzilli, in terms of the average house price.

One of the questions that was asked yesterday—I think it was by Mr Hampton; it might have been Mr Phillips. I can't recall now. But it is a valid question, and I said we would obtain the information for them. That was the administrative costs of the property tax relief for seniors.

The average house price would be about \$190,000. I thought as much.

Mr Mazzilli: So the average senior would likely—obviously, you're going to have the two or three—

Hon Mrs Ecker: It's about \$475 when fully implemented, should this legislation pass.

Mr Mazzilli: Another thing that I want to applaud you for—I know it's certainly not in the budget but I hope to see it in a future budget, and no one seems to be talking about this—is the mortgage deductibility. I think it's a great first step, up to \$5,000 that can be deducted. In today's environment, that's approximately a \$100,000 mortgage with 5% interest rates, give or take. So it's a great first step. The one thing I don't hear the opposition saying is that wealthy people who have their homes paid for can go out and borrow against that home and make an investment, and of course they can write off 100% of their mortgage. So I just want to compliment you and others for bringing that forward. I think it's a great first step.

I know that Mr O'Toole has another question.

Mr O'Toole: I personally just want to follow up a little bit on a question that Mr Phillips raised earlier. I'm just looking at the unprecedented expenditures in health care since we took office, and I think that's where I want to start. I understand that all of the Premiers, all of the provinces and territories, have been requesting—although Roy Romanow missed most of it, Senator Kirby was clear when he realized that with the original agreement under the Canada Health Act, the federal government have moved away from the table significantly.

Mr Phillips is quite happy with the \$700 million that he has mentioned in one of his categories there of money being transferred. I guess the key is, and I'm trying to formulate this, I understand that we had to put some money in the budget showing as revenue—and these are all forecasted revenues, whether it's on the tax side or transfer side.

1700

I guess it's probably more appropriately to the staff who work on this thing: are the federal Liberals ever going to get back to anything close to their original Canada Health Act agreement of 50% of the cost of health care? We've moved to over \$28 billion. Like everyone else at this table, I support the principles of the Canada Health Act. The Premier has said and Minister Clement has said—and I think, respectfully, Minister, you have said—that health care is number one. We're going through unprecedented times in Ontario with

SARS, and the front-line health workers are doing a marvellous job: the doctors, the nurses and all of the health providers.

I'm not sure if they've even got those machines working at the airport yet. The federal government takes care of the airports and the people coming into this country. I think probably it came into this country through an airport, not likely in a car from the United States, because they don't have that same kind of thing.

Is there anything that isn't in the numbers here that we could hold out hope that the federal government won't cheat Ontario one more time? We have a deficit in the transfer payments. We get about \$24 billion less than we actually send to the feds. I'm all for supporting equity in programs across this great country, but are they going to give out any more flags or stuff like that in Ottawa? The wasting of money there—even the auditor agrees about the gun registry—is just shameful: \$1 billion on the gun registry alone. I think everyone here agrees that they're really after the wrong people. They should be trying to get the criminals off the streets. But that's just one more example of the waste at the federal level.

I'm going to get to a question, I promise, eventually.

The Chair: Just to help you, Mr O'Toole, you have about six minutes.

Mr O'Toole: Then I'll go on for a while. In that case, there's more to be said. Clearly I have to leave the minister time, and I want to leave a real question for Norm.

I'm hopeful as I look at the revenue pictures here. I know these transfer numbers that I see coming from the federal government are marginal and I don't think it's near enough. I guess it's 18%, if they do transfer this money. Under the conditions they've put, they've always left a back door, as the Liberals always do. They may not transfer the \$700 million. That's the point that Mr Phillips should be writing to Mr Chrétien about right now and saying, "Look, \$700 million isn't near enough to fight SARS," and that came since their budget. I expect in his response or rebuttal later on—I'll probably leave then. In that time, I think that they should transfer probably another \$1 billion. Is that unreasonable to expect in the case of SARS? Their mismanagement of—I hate to say—the mad cow thing, if they've mismanaged that; the evidence isn't in yet.

Clearly the government here is committed—and I'm just overwhelmed by our commitment of almost \$800 million to reward, protect and secure the front-line health care workers who are putting themselves and others at risk to keep us safe. Is the federal government going to do anything, Minister? That's really the question here, and I think it's a fair question raised by Mr Phillips. He should send it right over to his friend Mr Manley in Ottawa to say that they're not up to the job. They don't even recognize that Ontario has to remain healthy. It's 50% of the economy of this country. We have to keep Ontario healthy, we have to keep Toronto healthy and we have to keep them healthy for all Canadians. Don't they realize that they're abandoning all Canadians by abandoning Toronto in its time of need? I think it's a shame

that I'm even looking at this number of \$771 million in the federal transfer when we've committed that much to SARS alone.

I look at the estimates and I'm reviewing the various expenditures in the various parts of health care. We've increased long-term care by almost \$2 billion in the last couple of years, additional funding. I'm disappointed that Mr Phillips isn't more insistent that there should be more revenue in your budget, the numbers here. I think it's underestimated.

Hon Mrs Ecker: I think, Mr O'Toole, that you raise an important point. At the February 2003 first ministers meeting and subsequently in the 2003 federal budget, the federal government said that they would provide up to an additional \$2 billion for health to the provinces and the territories at the end of the fiscal year 2003-04 if the Minister of Finance determines during the month of January that there will be a sufficient surplus above the normal contingency reserve to permit such an investment. I think it's important to look back. For example, in their 2003 budget, they forecast a surplus of \$3 billion; they actually achieved \$13 billion. The year before that, it was a \$1.5-billion surplus; they actually ended up with \$8.2 billion. The year before that, a \$4-billion surplus was anticipated; the final surplus was \$20 billion.

So it raises two questions: one, you can make the argument that they are collecting more tax than is required for the programs they fund; second, they are finally now starting to cut taxes, actually, Mr Cordiano, which is a good thing. It's helping to increase economic growth, but they are anticipating a surplus and all of the provinces—again, as I said, Ontario, Quebec, Manitoba, PEI—have taken the federal government at their word that there will indeed be additional health funding. It is still a long way from what the provinces believe is required in this country to keep the health care programs strong, but at least it is a step in the right direction.

The Chair: Mr O'Toole, just one more minute.

Mr O'Toole: I want to leave Norm some time to get on the record here and send it to your constituents.

The Chair: You've got less than a minute now.

Mr O'Toole: Minister, I think there's more to be done on health care and other areas.

Mr Miller: I'd like to return to the property tax relief for seniors. I've certainly heard from a lot of seniors in my riding of Parry Sound-Muskoka, particularly seniors who own property and they've seen large increases in the valuation of the property but have no real plans to sell the property; they just want to continue living in it, at their principal residence. This proposed tax relief is going to help them to be able to do so. What cost did you include in your estimates for the implementation of the new property tax relief for seniors?

The Chair: Just briefly.

Hon Mrs Ecker: I'm sorry? How many minutes?

The Chair: Just briefly. There are only a few seconds left.

Hon Mrs Ecker: I have lots of information, but once fully mature, we anticipate that the program will cost

approximately \$15 million per year for the delivery of a \$450-million benefit.

The Chair: We are now at an administrative juncture. Mr Chudleigh, if I could ask for your attention, as the whip for the government side, we are expected to sit for another 44 or 45 minutes before a vote. There are 58 minutes approximately left in the estimates of the committee. There are two ways we can proceed: one is we can have the minister and all the delightful staff of the ministry back for the balance of time or, as has been the tradition in terms of managing this committee, the government side can reduce their portion accordingly, which would be one third of the available time, in order to allow us to take the vote on estimates today. I look for an indication from the government whip as to whether that is agreeable or which option you would like: option A or option B.

Mr Chudleigh: My friends here have all had ample time.

The Chair: OK, we'll proceed on that basis and we'll now apportion the time, approximately 19 minutes for the official opposition and the third party and then a few minutes, approximately five or so, for the government before our vote.

We'll now turn to Mr Phillips.

Mr Phillips: I heard \$15 million was the cost to administer the program. Is that correct?

Hon Mrs Ecker: Yes. Again, I have a fair degree of detail about how we will be getting there and some of the work we're trying to do with Ottawa, so there may be some further efficiencies on that, depending on how they assist us with the information etc. But we anticipate, when fully mature, it will be approximately \$15 million to deal with 945,000 seniors, to deliver approximately \$450 million in tax relief to them.

Mr Phillips: Ontario used to have a AAA credit rating, and I believe there were three downgrades to it, and I believe there has been one upgrade to the credit rating.

Hon Mrs Ecker: No, as a matter of fact, under our watch we've had nine rating improvements.

Mr Phillips: Maybe the deputy can answer this. It was a AAA credit rating. I believe there has been one upgrade in it.

Hon Mrs Ecker: It was AAA. It went down under previous administrations. When we came in, it was not a AAA credit rating. It used to be when Tories were in power before, but we have had nine improvements since we've been in power.

Mr Phillips: I don't think you're correct, Minister. I just would like the deputy to maybe answer this and, rather than getting a rambling answer, if we can just have a crisp answer. I believe we had a AAA credit rating and it was downgraded three times. I believe we've been upgraded once.

Dr Christie: I'm just asking Gadi here to look for the specific details. The downward rating adjustments during some of the weaker economic times of the early 1990s—

Mr Phillips: I understand all that. I'm just saying we used to have a AAA with S&P; it's now AA, I believe, which is two levels below where it was and one level above where it was several years ago. Is that correct?

Hon Mrs Ecker: Just to be clear, under the NDP, Ontario's credit rating was downgraded three times in three years by S&P, to AA- from AAA, and two times each by Moody's Canadian Bond Rating Service and DBRS. Under the Liberal government, in 1988, Ontario's credit rating was put on credit watch for possible downgrade by DBRS. We have actually had rating improvements. As I said, I believe the number was nine—

Mr Phillips: Minister, please, I don't think you know what you're talking about. It was a AAA credit rating. We were downgraded three times. I would like just a simple answer.

Hon Mrs Ecker: Under the NDP, the credit rating was downgraded three times—

Mr Phillips: I understand that. That's exactly what I said in my question, Minister. Have we been upgraded once by S&P?

Hon Mrs Ecker: Again, as I said, since 1995 we have had nine rating improvements including four upgrades.

Mr Phillips: I'll repeat my question. Perhaps rather than trying to get into a political rant, you might—

Hon Mrs Ecker: That's not a political rant. It's the facts.

Mr Phillips: Maybe the deputy could answer this. We had a AAA credit rating, as I said, in 1990. There were three downgrades, as I said. I just simply want to know the answer to the question: have we had one upgrade from S&P?

Dr Christie: The current rating from S&P is AA.

Mr Phillips: Fine, that's the answer. Thank you. Minister, I'm disappointed you can't answer a very simple question like that rather than getting into a long rant.

Hon Mrs Ecker: I was talking about rating improvements. That isn't a long rant, with all due respect.

The Chair: Order.

Mr Phillips: Your predecessor, Mr Flaherty, indicated how much money would be saved—

The Chair: Mr Phillips, just to interrupt for a second. Just to establish the ground rules again, Mr Phillips can ask questions, if they're being responded in spirit, in other words with short answers, where he asks a direct question. We'll support that, but we would ask that members and the minister not talk over one another. I'll ask Mr Phillips to address his question.

Mr Phillips: It's very straightforward. Mr Flaherty, the previous finance minister, indicated the savings we would have by the upgrade on our interest cost. I forget the number he used, but he gave us a number. Can you indicate how much savings the province gets on its interest rate with an upgrade?

Hon Mrs Ecker: Yes, we have that figure, in terms of the savings that taxpayers have achieved. I don't have it quite handy, but we do have that and we may be able to—Gadi, do you have it?

Mr Mayman: I don't have a specific figure, because as capital markets tend to anticipate where the ratings—

Mr Phillips: Mr Flaherty did have a specific figure, but you don't have that?

Mr Mayman: I don't have that in front of me. We will find that—

Mr Phillips: Again, Mr Chair, maybe we could get that.

The Chair: If it's a condition of the committee, if it's agreeable—

Mr Phillips: He quoted that at committee previously. That would be very helpful to me. Thank you.

Mr Cordiano: I have some questions with regard to SuperBuild. I'd like to know why you have failed to make public audited financial statements since the inception of SuperBuild. We have not been able to get at those audited financial statements. They've not been made available. I asked this question in the House some time ago, back in 2002. There has not been a response. As a matter of fact, you are required to make audited financial statements available under the Development Corporations Act. If they are available, why haven't you made those public?

Hon Mrs Ecker: David Lindsay, who is the CEO of SuperBuild, would be quite pleased to answer questions about that.

Mr David Lindsay: Mr Cordiano, the monies that are distributed through the SuperBuild program are subject to all the audit rules and the normal procedures of the government of Ontario. As a division of the Ministry of Finance, our staff and our purchasing and procurement processes are all subject to the same provisions as the rest of the government. The capital allocations that go to all the ministries, for example the Ministry of Transportation, are also subject to the same audit provisions through the Provincial Auditor.

Having said all of that, you are correct, because the SuperBuild Corp was established under that act. There is a requirement for audited statements, and we asked the Provincial Auditor to be our auditor of record. He has been conducting a two-year review of 2000-01 and 2000-02. Those are almost complete. We understand he will be giving us—yet to be finalized—a clean bill of health, a clean audit opinion that will be included in our annual report that gets tabled in the Legislature.

Mr Cordiano: Well, that may be so, but this is 2003. The act requires that you have annual statements filed each and every year and tabled in the House. It's been three and a half years, to be exact, where SuperBuild has been operational, and yet there are no audited financial statements for us to determine what, in fact, has been taking place at SuperBuild. The public, I believe, has a right to know, and there is no accounting for it. How do you justify the three and a half years that have gone by, when literally millions of dollars are being invested, expended by the province, and there are no statements?

Mr Lindsay: If I could help the committee, all of the monies that have gone out for capital expenditures on behalf of the government of Ontario, whether it's the

Ministry of Health and Long-Term Care, the Ministry of Transportation, the Ministry of Natural Resources or any others, are audited annually as part of the public accounts. Every dollar that is expended is subject to the Provincial Auditor.

Mr Cordiano: But you're also spending millions of dollars at SuperBuild, and it's operational. We don't have audited statements for those operations.

Mr Lindsay: Those audited statements have not been tabled in the Legislature, you are correct, but the internal audit of the Ministry of Finance, the Provincial Auditor, has been in, has reviewed our processes and our practices. They conform to normal government practices. The audited financial statements are being signed off by the Provincial Auditor right now. We will be able to table them as soon as he finally signs off on them.

The question you were asking about the period of time: SuperBuild was announced by the government of Ontario in December 1999, so there would be what might be referred to as a "stub year"—1999 until April of 2000. We didn't actually have a staff, weren't up and running, weren't spending significant operational dollars in that period. The Provincial Auditor, in discussions with us, has agreed that the first full audited statements begin in April 2000. So 2000-01 and 2001-02 are two years' worth of audited statements that he and his staff have been in reviewing. Their indication to us is that they should be ready very soon.

Mr Cordiano: Let me move on to another question with regard to the amount of private sector dollars that have actually been contributed to SuperBuild. Do you have a figure as of today? I haven't been able to get at that figure.

Mr Lindsay: We have not got a specific breakdown of individual private sector dollars. Through various transactions and various projects, we can identify individual private sector contributions. The aggregate number of partnership funding, which includes federal, provincial, municipal, private sector contributions and individual contributions—for example, endowments and contributions through citizens in the colleges and universities system—our total expenditure has been \$15 billion. Roughly \$4 billion of that has come through other partners.

What we do not account for in the government's statements, because it doesn't appear on our books, would be things like—I believe the number, and I don't have it in front of me, is in the neighbourhood of \$500 million or more of additional expenditures to widen and expand Highway 407 and the western extension of Highway 407.

Mr Cordiano: Let me be exactly clear about this. You say \$4 billion is coming from private sector contributions?

1720

Mr Lindsay: I didn't say private sector contributions. I said our other partners: federal government, municipalities—

Mr Cordiano: So you cannot tell me today how many dollars have actually been contributed by the private sector—not other partners in the public sector, but the private sector? As you know, SuperBuild is predicated on the notion that the private sector would contribute \$10 billion and the public sector would contribute an additional \$10 billion. How do we know if you've achieved that goal?

Mr Lindsay: I think if you read the budget statement of then-Minister Eves in creating SuperBuild, he indicated that the objective was to have \$10 billion of provincial money and \$10 billion of partner money and we would therefore—

Mr Cordiano: I don't think that's what it said. The statement did not say that. I don't have it here in front of me, and if you do, I stand to be corrected, but the \$10 billion was to be leveraged by an additional \$10 billion of private sector funding. He specifically referred to private sector contributions.

Hon Mrs Ecker: We can certainly double-check that for you if you'd like, Mr Cordiano. But as Mr Lindsay has said, there certainly was also an expectation there would be a number of partners. The federal government and municipal governments have indeed been partners in many of these projects. The private sector has been as well. I have one in my riding, for example.

Mr Cordiano: But the key to SuperBuild was the leveraging of public sector dollars with private sector dollars. It was a one-to-one formula: \$10 billion in public sector funding and \$10 billion in private sector funding. Unless you're telling me that you're going back on that because SuperBuild hasn't been able to attract the \$10 billion from the private sector—that's a different matter. If you have a change in policy, then say so.

Hon Mrs Ecker: Well, Mr Cordiano, I think we are not able to fully answer your question. It may be accurate as you state; it may not be accurate as you state. We will double-check that for you. But again, SuperBuild was also predicated, when we talked about leveraged dollars, on having more partners as well—not just the private sector, but also the federal government and municipal governments, and they indeed have been there with us. I think it's important to recognize at the end of the day that we have an obligation to address the infrastructure problems that were left behind.

Mr Cordiano: I understand that. That's not the point of my question. The point was that the government made an announcement with great fanfare that you were working with the private sector and that you were able to leverage public sector dollars. The \$10 billion in public sector dollars could be made up of municipal and federal. I understand that; no one questions that. But there was an exclusive \$10 billion coming from the private sector. What you're telling me today is that you cannot verify or back up that number.

I have another question with respect to—

Hon Mrs Ecker: No, Mr Cordiano, with all due respect that is not what we said. We will double-check the record to make sure that it is indeed accurate. You

have a memory of what you think it is; Mr Lindsay has a memory. We will double-check that for you and make sure the information that is on the record is accurate.

Mr Cordiano: I don't have time to go back into the notes—I have notes here—but let's just leave it at that. Let's just say that you're going to get back to us.

I have a final question with regard to waterfront revitalization. Of the half a billion dollars that was committed by the province to the Toronto waterfront revitalization, how much has actually been flowed or spent to date?

Hon Mrs Ecker: I think Mr Lindsay can answer that. The \$500 million that comes from us, \$500 million from Ottawa, \$500 million from the city of Toronto was, if I recall, over a five-year period for a series of projects based on the waterfront's business plan. I'm not sure if David has it yet, but he will get the information for you.

Mr Lindsay: You're correct, Minister. The \$500 million was allocated. There have been some delays in moving forward. With the project's three levels of government negotiating operating agreements, it always takes more time than expected. To answer your direct question, the costs that have been budgeted for 2003-04 are approximately \$20.9 million for the province's share. There are three main projects that the waterfront corporation has agreed to undertake immediately. That's the Front Street extension—early estimates were about \$170 million for that, and those costs we believe to be somewhat of a low estimate; the GO and TTC expansion work that they're working on—a platform expansion for the TTC of \$58 million, and site preparation and remediation work on the portlands and the west Don lands is \$60 million; and environmental assessment work for the Don River is \$2 million.

Mr Cordiano: So it's just a fraction of what was committed. We can safely say that not a whole lot has been done on the actual waterfront project itself.

Anyway, Mr Phillips has a final question.

Hon Mrs Ecker: Mr Cordiano, just to be clear, first of all, there needed to be—where the three levels of government came to what I believe was a fairly historic agreement, to make a five-year commitment, which all three levels have done. There were then several steps that had to be taken before expenditures could occur.

The Chair: With respect, I'm not sure there was a question. Mr Phillips?

Mr Phillips: I'll go back to the question I raised yesterday on next year's revenue estimates. We've got one number from you, \$73.4 billion. Both the rating agencies have indicated serious concerns about the revenue for next year, one indicating you may have to delay your tax cuts. Can you give the public more information than just one number on the revenue forecast for next year?

Hon Mrs Ecker: First of all, we have done revenue forecasts the same way we have always done revenue forecasts when we've balanced our budgets before. The private sector consensus is currently about 2.8% for 2003

and 3.5% next year. That is marginally under the 3.1% that we had based on the consensus in the budget.

Mr Phillips: Is all we're going to get one number, Minister? Is that it? Are you not going to give us any more than just one number? Can you tell us how you arrived at the \$73.4 billion?

Hon Mrs Ecker: That is based on revenue estimates based on economic growth, as it's always been done.

Mr Phillips: Can we see those revenue estimates then, other than just one number?

Hon Mrs Ecker: They're in the budget. It's based on an assessment—

Mr Phillips: No, they're not. There's one number in the budget, Minister. Where's your tax revenue estimates?

Hon Mrs Ecker: The revenues were forecast the way they have always been forecast. It is also important to recognize that, quite frankly, we've found in Ontario forecasters have for the most part—

Mr Phillips: Are you going to give us any more than the one number? That's all I want to know.

Hon Mrs Ecker: —been too pessimistic about the growth potential of Ontario's economy.

Mr Phillips: Has the deputy done the other numbers for us?

Hon Mrs Ecker: In the last six years we've seen that they've actually been too pessimistic in terms of our growth factor.

Mr Phillips: Are we just going to get the one number?

The Chair: Ms Ecker, we have to conclude.

Mr Phillips: You're not going to provide it?

Hon Mrs Ecker: We've put out in the budget what our forecasts are—

Mr Phillips: You put one number out, Minister. You're not going to provide any more detail for us?

Hon Mrs Ecker: Mr Phillips, we have done that the way we always do that. We report—

The Chair: Mr Phillips, I believe you have your answer.

Hon Mrs Ecker: No, Mr Chair, I'm not quite finished with the answer.

The Chair: I'm sorry, Ms Ecker, we're out of time, however. With all respect—

Hon Mrs Ecker: OK. I'm prepared to provide a fulsome answer, Mr Chair.

The Chair: —there's an implied answer, and we now turn to the third party. You have approximately 19 minutes, Mr Prue.

Mr Prue: Back to the question about seniors and the property tax rebate. I would take it that seniors are people who are 65 years and plus?

Hon Mrs Ecker: That's certainly my understanding of how it is being calculated, yes.

Mr Prue: There is also a bill before the House that will allow seniors, once 65, to continue working. Will this have any impact at all on a senior who continues to work, say, till 70 or 72 years of age, holding down a good, steady job of \$100,000 a year? Will that kind of—

Interjection.

Mr Prue: No, it could be. Would that kind of senior be eligible for a tax rebate?

Hon Mrs Ecker: Seniors over the age of 65 are eligible. Those who would continue working would continue to pay income tax on their income. If they were making that kind of amount, they would be paying substantially more income tax.

Mr Prue: So this is a rebate based not on, I guess—
Interjection.

Mr Prue: Yes.

Hon Mrs Ecker: It's based on property tax.

Mr Prue: Based on property tax and age. A person who was—

Hon Mrs Ecker: It's for seniors.

Mr Prue: OK. A person who was 18, who had a minimum wage job, would not be eligible, obviously.

Hon Mrs Ecker: They may feel like a senior some days, but they would not be eligible.

Mr Prue: OK. Let's do some of these other seniors. A senior who lives in a nursing home: would they be eligible in any way?

Hon Mrs Ecker: The eligibility is for owners or renters.

Mr Prue: OK. Someone who lives in a subsidized unit of metro housing or the Toronto housing authority?

Hon Mrs Ecker: I would anticipate that they would be a renter and would probably be eligible. We can double-check that.

Interjection: That's correct.

Hon Mrs Ecker: Yes, they're a renter. They would be eligible.

Mr Prue: Many seniors—

Hon Mrs Ecker: It would be a very good benefit for them, Mr Prue. I think many of your constituents would benefit from that.

Mr Prue: I'm trying to find out how much they would get. Many of the seniors in the Toronto housing authority in Beaches-East York pay, say, \$300 a month. They're subsidized units. Someone who pays \$300 a month to the Toronto housing authority: what kind of rebate would they get?

1730

Hon Mrs Ecker: It would depend on the individual renter's tax. I'm sure officials might well have some further information on that, in terms of how we would be calculating that.

Mr Prue: Because we've heard lots about homeowners. I have not heard—

Hon Mrs Ecker: No, it's always been renters; it's always been that way.

Mr Prue: I know that, but we have not heard any real debate or discussion on tenants. Since more than half of the people in Toronto are tenants and more than half of the seniors are tenants, I'd just like to try to nail this down.

Hon Mrs Ecker: Just to be clear, the eligibility—

Mr Prue: I know. I'm not saying they're not eligible.

Hon Mrs Ecker: I know there was some confusion, but renters are eligible as well.

Mr Prue: I'm trying to find out how much tenants get. First of all, somebody living in a subsidized unit that pays, say, \$300 a month to the Toronto Housing Authority: what kind of rebate might they expect?

Ms Diane Ross: The proposal for renters is that tenants would receive a rebate based on a percentage of the rent paid. In similar fashion to how it works under the Tenant Protection Act, where property tax pass-throughs are done as a percentage of rent, this education property tax credit would also be calculated as a percentage of rent. So in a subsidized housing situation, for example, it would be a percentage of the \$300 paid in the same way as someone who pays \$800 or \$1,000 would receive a percentage of their rent.

Mr Prue: And what might that percentage be, so I can figure it out? People are phoning and asking me this question, and I think it's a good question. What can they expect?

Ms Ross: The percentage would be prescribed in regulation, subject to the passage of the Ontario Home Property Tax Relief for Seniors Act, which is currently before the House. The percentage that is being looked at right now is 2.5%.

Mr Prue: So on \$300 they would get \$7.50 a month.

Ms Ross: Another thing to look at in the legislation is actually de minimis rules, so anybody who would receive less than \$10 would actually receive a rebate of \$10. So instead of \$7.50, that person would receive \$10.

Mr Prue: So most—maybe not most, but surely maybe 40% of seniors living in subsidized units in Ontario would get \$10 a month. Is that pretty fair?

Ms Ross: I don't have the figures of the average subsidized housing rent. I can simply provide the response that it's a percentage of rent.

Mr Prue: A senior who lived in an apartment that was not subsidized—and let's pick the Toronto example. Average rent in Toronto for a one-bedroom is \$890 a month. Is the same 2.5% calculated for them?

Ms Ross: That's correct.

Mr Prue: So they would get approximately \$21 a month.

Ms Ross: The rebate will be calculated on an annual basis.

Mr Prue: On an annual basis. All right. And how would they be paid? Annually?

Ms Ross: Annually, that's correct.

Mr Prue: So one would expect, then, an average tenant in Toronto to get \$240 and an average homeowner in Toronto to get—the average house in Toronto last week was \$290,000. I'm just trying to figure, because tenants are a lot poorer than homeowners, on average. We know that. So the average tenant would get \$250 in a non-subsidized unit and would get \$120 in a subsidized unit per year. What would the average homeowner in Toronto get, at \$290,000?

Ms Ross: The amount paid to any homeowner would be the actual amount of the education property tax that they pay, which is 0.335% of the value of their home. So

if you're looking at a home valued at \$290,000, it would be—I apologize, I don't have my calculator.

Mr Prue: That's pretty close to \$1,000.

Ms Ross: That's correct.

Mr Prue: OK. It seems to me that the poorest of the people, those who are living in subsidized units, would get \$120; those who were a little bit better off, living in a non-subsidized unit, but tenants, would get about twice that, or \$240; and those who are lucky enough to own their own home would get \$1,000. Is that what the government plan is?

Mr O'Toole: You're comparing a one-bedroom to full residential. That's ridiculous.

Mr Prue: No, I'm just talking about 65-year-old people who live in three separate circumstances. Is that the plan?

Ms Ross: The response would be that the plan is to rebate people for the actual education property tax that they pay. So someone who lives in a home would pay more than someone who rents a subsidized unit.

Mr Prue: There has also been an argument—and I'd just like to hear the government response. People have talked to me about the social contract we all have with each other. I pay education taxes for children, but I don't have any.

Hon Mrs Ecker: So do I, Mr Prue.

Mr Prue: I don't have any problem with that. I pay for seniors, who use hospital services a lot more than I do. Certainly, we know that more than half of the hospitalization in most people's lives comes in the last five years. People have asked me, "Why should I pay for seniors' hospitalizations if the seniors won't pay for my child's education?" That's a reasonable question to ask. I wonder whether the government has any plans for others to be rebated for services that they don't use quite as much. Seniors don't use education as much as young families, but certainly seniors use hospitalization more. Are there any plans to rebate others for what seniors are using more of?

Hon Mrs Ecker: I appreciate the question, but this has nothing to do with any philosophical debate about paying for services you do or do not use. Seniors continue to pay for any range of services through property taxes, sales taxes, income taxes and other taxes, as you and I do. We pay for our health care system, we pay for our education system, and it is not done based on one's use of either system.

Mr Prue: Then why was education singled out?

Hon Mrs Ecker: Because that's the only part of the property tax we control. So if we are going to provide property tax relief, like previous property tax relief was provided on the portion of the property tax that we have some say over, I guess would be the way I would phrase it—municipalities are free to do what they wish with their part of the property tax. That's why it is a mechanism for providing property tax relief. It is no statement of what people pay for or use.

Just to make the point, education funding in Ontario has continued to increase, based on a student-focused

funding formula. So the amount of money that a school gets does not depend on the amount of property tax that is paid.

Mr Prue: I'd like to look at the rebates. I've already given the example of Toronto, where the average house is \$290,000 and is rising quite rapidly. We have communities where houses cost considerably less. The one I'm most familiar with—my parents live in a little town near Bancroft, Ontario, called Cardiff. They bought a spectacular house for \$46,000 last year.

Interjection.

Mr Prue: Yes, it's really quite amazing.

I'm trying to look at the difference between what is going to happen in various regions of Ontario—what seniors can expect in some locations versus others—and whether there is an element of fairness to that. I'm sure the levels of incomes may be similar, because a lot of them are retired. It doesn't matter; the money flows. They're not likely to come to Toronto for a high-paying job. Can you tell me if the government has looked at the differential—people in, say, small-town Ontario or former mining-town Ontario getting rebates that I would estimate would probably be one fifth of those who live in a city?

Ms Ross: I don't have regional examples for you, but what I can say is that, again, the rebate is based on the amount of tax you have actually paid. If someone is in an area where housing prices are lower, they have paid less and, as a result, they would receive less of a rebate.

Mr Prue: So if the mill rate is higher in those towns, which it often is—

Ms Ross: The residential education property tax rate is consistent across the province. It's simply that the assessed value of the home may be lower in Cardiff, for example, than it is in Toronto.

1740

Mr Prue: OK. On a slightly different note, I guess it comes back to cities. The Premier was quoted in the paper. I only saw it one day and I don't know if this is a plan. He was talking about cities having to have referenda to increase taxation, and that it will not be possible for them to raise taxation without such a referendum. He went on to state that he didn't see that this was such a big problem because, as house prices appreciate, one could have a windfall if one were a municipal politician simply by leaving the mill rate or the percentage where it was. Is that what is anticipated for cities?

Hon Mrs Ecker: Well, first of all, cities now cannot change their tax rate, and they get additional revenue as assessment grows, much like Ontario. We have economic growth and, as we've said, because of increased economic growth, we have \$16 billion more in tax revenue, and we didn't raise taxes.

Municipalities currently don't have to raise their taxes, and if their assessment goes up, they can get an increase resource, if you will, for the municipality. Equally, in some municipalities, as you well know, the assessment base has decreased. So that's why we have the commun-

ity reinvestment fund, to support those municipalities where the assessment may be decreasing.

Mr Prue: But we see, again, going back to London or Ottawa or Toronto or Hamilton where house prices are going up very rapidly—is what is being proposed to allow municipalities to simply leave the mill rate and, as the houses' assessed rates gain in value, those people would be paying increasing amounts of taxes? Is that what I read from what the Premier had to say?

Hon Mrs Ecker: The extension of the Taxpayer Protection Act to municipalities would be consistent with the principles that are in the Taxpayer Protection Act as it applies to the provinces.

Mr Prue: Which means?

Hon Mrs Ecker: Which means that economic growth, assessment growth, is part of the revenue we receive. The Taxpayer Protection Act is aimed at the setting of tax rates.

Mr Prue: Then it begs the second question—

Hon Mrs Ecker: Would you support that, Mr Prue? Would you support that for taxpayers?

Mr Prue: I don't know exactly what you mean by that. I would want to look at the numbers. I'm not here to answer the questions; you are. But I would want to look at the numbers because it seems to me that it would be unfair to those who owned properties that were appreciating in value at a rapid rate. We see places in Toronto where that's happening, particularly in the Beach.

Hon Mrs Ecker: Are you suggesting that we should deny municipalities assessment growth in the Taxpayer Protection Act?

Mr Prue: New assessment growth? Or simply because one's property starts to escalate in value?

Hon Mrs Ecker: Well right now, municipalities have that ability. They can set their tax rate down. Some actually do that, where as assessment goes up, they could set the rate down.

Mr Prue: They almost all do that.

Hon Mrs Ecker: No, they don't. We actually do—

Mr Prue: They almost all do.

Hon Mrs Ecker: Actually no, many don't. They don't increase their tax rate but they don't set it down necessarily, either. Some do, some don't. We in the province do set down our portion, the education portion. As assessment goes up, we've actually chosen to reduce that rate so we don't get increased tax take from property taxpayers.

Mr Prue: Well, that's what I did as mayor, and I think that was a fair thing to do.

Hon Mrs Ecker: Good for you to do that.

Mr Prue: Because that wasn't fair with people's houses. But I want to make sure that this isn't what happens to municipalities, that they are forced into this, because the second part of the question is the referendum. Municipalities will now have to hold referenda in order to have a new source of tax revenue, such as a gas tax, such as a hotel tax, whatever.

Hon Mrs Ecker: The proposal is that for new tax measures—for example, there are three that are laid out

in the proposals in the campaign platform—they would have to have a referendum in order to put those taxes in place. In effect, they have to go and ask the taxpayers' permission to raise their taxes, a principle that I think many taxpayers I've certainly talked to are quite supportive of.

Mr Prue: The province doesn't require that, though.

Hon Mrs Ecker: Yes.

Mr Prue: That we have to hold a referendum?

Hon Mrs Ecker: To increase taxes, yes.

Mr Phillips: Or you just come and change the act, then.

Hon Mrs Ecker: Well no, we haven't. With all due respect, the Taxpayer Protection Act says that we need to hold a referendum to increase a tax.

Mr Phillips: Just do what you did last year.

Hon Mrs Ecker: It is designed to protect taxpayers from tax increases. We are proposing to extend the principles that are in that act to municipalities.

Mr Prue: At the same time you did not give the municipalities—you require a referendum, which people, even like my friend Hazel McCallion, think is preposterous, and I listen to that lady a lot.

Hon Mrs Ecker: It's hard not to, Mr Prue.

Mr Prue: It's hard not to. There's nothing here, though, about the downloading. The province has downloaded an awful lot on to municipalities. There is no guarantee the province will not download on to municipalities further or change the rules within municipalities. Certainly some municipalities feel the downloading process has been extremely unfair to them.

Hon Mrs Ecker: I certainly appreciate that, and you've heard this debate—

Mr Prue: Is there any guarantee that there will be no further downloading?

Mr Mazzilli: It's revenue-neutral.

Mr Prue: It is not revenue-neutral.

Mr Mazzilli: Yes, it is so.

Mr Chudleigh: You're right, it isn't; municipalities gained.

Mr Prue: Some did, but I want to tell you, Toronto did not. Is there going to be a guarantee that there cannot be downloading?

Hon Mrs Ecker: First of all, Mr Prue, it's important to note here that this is a proposal that is put out as part of our campaign. It is a very important initiative. We certainly acknowledge that the actual implementation of this will involve considerable—we'll have to draft legislation etc. That will have to involve considerable work with our municipal partners in terms of implementing it in the fairest way possible. But the principle here is important. What we are saying is that before a tax is raised, there should be a referendum held. Taxpayers should be asked their permission.

The Chair: Time, Mr Prue.

Mr Prue: I only had one more quick one. You won't allow it, but that's all right.

The Chair: I'm sure the minister will be willing to meet with you informally in that regard.

Hon Mrs Ecker: Mr Chair, if I could just take one quick minute out of our time to answer Mr Cordiano's question about SuperBuild.

The Chair: I'll ask the difference. There are about three minutes remaining to the government caucus and with their permission you're welcome to do that.

Hon Mrs Ecker: Just very quickly, Mr Cordiano's question about SuperBuild. In the budget of 1999 it says, "SuperBuild growth fund, which will inject \$20 billion into Ontario's infrastructure over the next five years. The ... growth fund will challenge our partners in the public and private sector to identify and support priority projects."

The Chair: I now turn to Mr Miller, about two and a half minutes.

Mr Miller: Following up on Mr Prue's comments, in the platform I know one of the ideas being put forward is that the provincial government would take over responsibility for all the bridges in the province, which is huge for rural Ontario and huge for Parry Sound-Muskoka certainly.

Hon Mrs Ecker: It's called uploading.

Mr Miller: Also, in the budget I believe there was an 18% increase over three years planned for the CRF funding as well.

But in my last question, the government's economic track record speaks for itself. We have had 1.1 million net new jobs created; five balanced budgets in a row. We've lowered taxes. We've paid \$5 billion off the debt. We've had some excellent new manufacturing jobs where we've outgrown all the G7 countries, and we've made key investments in health and education.

What harm would be done to the economy of the province if the Liberals follow through on their plan to raise taxes? I believe in their platform they say \$5 billion. There's some question as to the other \$6 billion they

didn't account for and to run deficits. What sort of damage would that do to the economy?

Hon Mrs Ecker: Actually I think the numbers speak for themselves. In 1995, this province was spending over \$1 million more an hour than it was taking in; when we came into government there was a projected \$11-billion deficit; one of the highest tax rates in North America; declining family income; declining job numbers. In the economic plan we have followed with balanced budgets five times in a row, lower taxes, setting key priorities, getting rid of red tape, getting folks off welfare into jobs, we've seen, as you say, Mr Miller, over a million net new jobs and a competitive tax structure. I think that's what it's all about.

The Chair: Minister, pardon me. Thank you for your answer. The bells call our conclusion based on the understanding we have. It is now time to vote the estimates for the Ministry of Finance. I know each of the staff here is interested in the outcome of this particular vote—maybe a little more so.

Mr Phillips: I have a bad feeling about this.

Mr O'Toole: I'd be shaking, Gerry.

The Chair: I will put forward, with the committee's agreement, the shorter version. Shall votes 1201 through 1206 carry?

All those in favour will say "aye."

Those opposed will say "nay."

I declare the motion carried.

Shall the estimates of the Ministry of Finance carry? I declare them carried.

Shall I report the estimates of the Ministry of Finance to the House? I shall do so.

Thank you, Minister, and thank you, committee, for your work today.

The committee adjourned at 1751.

CONTENTS

Wednesday 4 June 2003

Ministry of Finance E-27

Hon Janet Ecker, Minister of Finance
Dr Bob Christie, deputy minister
Ms Karen Sadlier-Brown, assistant deputy minister, Ontario electricity restructuring secretariat
Mr Gadi Mayman, executive director, capital markets, Ontario Financing Authority
Mr David Lindsay, president and CEO, Ontario SuperBuild Corp
Ms Diane Ross, director, property tax policy branch, provincial local finance secretariat

STANDING COMMITTEE ON ESTIMATES

Chair / Président

Mr Gerard Kennedy (Parkdale-High Park L)

Vice-Chair / Vice-Président

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gilles Bisson (Timmins-James Bay / Timmins-Baie James ND)

Mr Ted Chudleigh (Halton PC)

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gerard Kennedy (Parkdale-High Park L)

Mr Frank Mazzilli (London-Fanshawe PC)

Mr Norm Miller (Parry Sound-Muskoka PC)

Mr John O'Toole (Durham PC)

Mr Steve Peters (Elgin-Middlesex-London L)

Substitutions / Membres remplaçants

Mr Gerry Phillips (Scarborough-Agincourt L)

Mr Michael Prue (Beaches-East York ND)

Also taking part / Autres participants et participantes

Mr Joseph Cordiano (York South-Weston / York-Sud-Weston L)

Clerk / Greffier

Mr Trevor Day

Staff / Personnel

Ms Anne Marzalik, research officer,
Research and Information Services

E-5



E-5

ISSN 1181-6465

Legislative Assembly of Ontario

Fourth Session, 37th Parliament

Assemblée législative de l'Ontario

Quatrième session, 37^e législature

Official Report of Debates (Hansard)

Tuesday 10 June 2003

Journal des débats (Hansard)

Mardi 10 juin 2003

Standing committee on
estimates

Ministry of Education

Comité permanent des
budgets des dépenses

Ministère de l'Éducation

Chair: Gerard Kennedy
Clerk: Trevor Day

Président : Gerard Kennedy
Greffier : Trevor Day



Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Copies of Hansard

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Exemplaires du Journal

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 10 June 2003

Mardi 10 juin 2003

The committee met at 1533 in room 151.

MINISTRY OF EDUCATION

The Acting Chair (Mr John Gerretsen): I'd like to call the meeting to order. Today we're dealing with the Ministry of Education. The committee will now be reviewing the estimates of the Ministry of Education for a total of 10 hours. We will begin with an up to 30-minute statement by the minister, followed by 30 minutes for the official opposition and 30 minutes for the third party, and then another 30 minutes for the government or the minister to use for reply. Thereafter, the remaining time, approximately eight hours, will be apportioned among the three parties in 20-minute blocks.

I'll now call vote 1001. Minister, welcome.

Hon Elizabeth Witmer (Deputy Premier, Minister of Education): Thank you very much, Mr Chair and committee members. I'm very pleased to be here today on behalf of the Ministry of Education. Joining me for the committee proceedings is the deputy minister, Suzanne Herbert.

Since I last had the pleasure of addressing this committee, our government has continued to build upon and strengthen the public education system in the province of Ontario. I would just hasten to add that I believe we have a very strong system in this province and we need to continue, certainly, to build upon it. This is the priority. Our government is fully committed to excellence in education. We want every child in Ontario, no matter where they live, to have the opportunity to gain the skills and knowledge that he or she needs to reach their full potential and to achieve personal success. We want every child in Ontario to have equal access to learning and opportunities. We want to set every child on the path to becoming a self-confident and contributing adult who will help enhance Ontario's prosperity and competitiveness in the years to come.

The parents and taxpayers of this province, as well as our dedicated, hard-working teachers, administrators, school boards and trustees, also share this commitment to our young people, to help them achieve success. This past year and in the years before that, we have all worked together on a long and sometimes bumpy road to implement a far-reaching set of public education reforms aimed at continually improving student learning.

Since 1995, our government has introduced reform based on providing Ontario's elementary and secondary school students with a quality education characterized by high standards, clearly stated expectations and frequent, straightforward evaluation. We have moved forward in four fundamental areas: (1) promoting a safe and stable learning environment; (2) developing and sustaining a high-quality, relevant province-wide curriculum; (3) ensuring excellence in teaching; and (4) supporting a transparent and accountable education system. It has not always been easy. There have been many issues and there have been challenges. But at the end of the day I am pleased to say there have also been many, many successes and achievements which have helped our students on the road to success.

I'd like to begin with the Education Equality Task Force report. When I addressed this committee, Dr Mordechai Rozanski, as chair of the Education Equality Task Force, was in the midst of reviewing the student-focused funding formula implemented in 1998. The purpose of student-focused funding is to ensure quality education and equality of opportunity for all students, no matter where they live in the province. As part of his review, Dr Rozanski examined past studies and reports on education funding and researched best practices. He met with education stakeholder groups, conducted public meetings and accepted submissions by mail and through the Web site. We were fortunate to receive his final report last December.

I want to take this opportunity one more time to publicly thank Dr Rozanski for his hard work and to also acknowledge and express my appreciation to the groups and individuals who contributed their thoughts and their suggestions to Dr Rozanski. The report confirmed that our education funding reforms are sound; it validated the funding formula. It also provided the government with immediate and long-term recommendations on how we could build on the strengths of the student-focused funding formula.

Our government considers the Rozanski report an excellent blueprint for the future. We are, as Dr Rozanski recommended, implementing the report over three years. I'm very pleased to say we've been able to move forward on several of the recommendations; in fact, several of them we moved forward on immediately. Within three days of receiving the report, our government committed \$610 million in new funding to special education, teacher salaries and student transportation. We announced \$250

million for teachers, education assistants and other specialists for students with special needs. We announced \$340 million to give school boards the flexibility to reach fair and responsible collective agreements with their teachers and staff for the 2002-03 school year in order that we would have stability in the classroom. We announced the board-by-board allocation of \$20 million to enhance the safety and efficiency of the student transportation system.

Our government responded to other Rozanski recommendations in subsequent weeks. We announced that \$66 million more over three years would be invested in computers for the classroom, up-to-date textbooks and other learning materials. We do believe that students need resources, like textbooks, computers and other classroom supplies, which will enable them to reach their full potential.

1540

I'm also pleased to say that we announced the \$50-million GOALS strategy to benefit students who need extra help in reading, writing and math, and in their transition to the workplace or to college or university. We also announced that \$75 million more would go toward renovating and replacing existing schools. At the same time, we announced \$74 million to help small rural and northern schools and to address the issue of declining enrolment. Some \$50 million from that total is going to be used to develop a new rural education strategy. Dr James Downey, the former president of the University of Waterloo, has been appointed to provide the government with recommendations on the development of the \$50-million strategy to help small rural and northern schools. We look forward to receiving his recommendations at the end of this month so that action can be taken before the start of the next school year. Dr Downey has met with stakeholders from across rural and northern Ontario to help him formulate his recommendations. Our government is committed to ensuring that all students have equal access to a quality education across the province. Dr Downey's report will help us ensure that students in small rural and northern schools are provided with the best educational opportunities possible.

By the time the Ontario budget was presented on March 27, our government had committed \$875 million toward Ontario's public education system based on the recommendations of Dr Rozanski.

The budget itself responded to another central recommendation. Our multi-year funding approach commits the government to an increase of almost \$2 billion in the base funding target for education by 2005-06, compared to the funding announced in last year's budget for the 2002-03 school year. We are on track to meet and exceed Dr Rozanski's recommendation that funding increase by \$1.8 billion over three years. In this upcoming 2003-04 school year, we will invest a record \$15.3 billion in Ontario's education system. This represents an increase of more than \$1 billion, or almost 8% more than the funding announced last May, while enrolment is projected to be about 2% lower. Our government is clearly

focusing the education system on where it must be: on improved student learning.

I'd like to turn now to curriculum. I'm very pleased to say that the province-wide standardized curriculum is now in place for every grade, from kindergarten to grade 12. It sets high standards of achievement for every student. It responds to the demands of parents for a curriculum that is clear, consistent and describes in detail what students should be expected to learn in each grade. And it will help ensure that all students are well prepared for success after high school, whether they choose to go to university or college or into the world of work. A total of \$370 million over five years, from 1998 to 2003, was committed to support the implementation of the new curriculum. From that amount, \$70 million will have been allocated to support teacher training and \$80 million to provide other professional supports and resources. Our government will continue to support teacher development and training in the Ontario curriculum in the future.

We've also established an ongoing review process to ensure that the curriculum remains current and relevant in every grade. There is strong evidence that student achievement is improving as a result of initiatives such as the new curriculum and under the educational leadership of our teachers and those who work in the sector. We continue to see improved results in provincial, national and international testing. I just want to discuss that later in some detail.

I'd like to turn now to teaching excellence. We recognize that there is an enormous contribution being made every day in this province by very dedicated, hard-working and capable teachers. We have implemented several initiatives to support teaching excellence. We know that parents always want the assurance that teachers have the most up-to-date skills and knowledge. The professional learning program now requires all certified teachers in Ontario to successfully complete 14 professional learning courses over five-year cycles to maintain their teaching certificate with the college. To support this requirement, our government has committed \$5 million for distance learning, on-line courses and other courses. We want to be sure that there are a sufficient number of low-cost, easily accessible professional learning resources available to teachers across the province. As well, teacher performance appraisals have been implemented. New standards will ensure that teachers are evaluated regularly, and in a consistent manner, on their ability to use their skills and knowledge in the classroom. Teachers will also have the opportunity to receive feedback and support. In April of this year, more than 8,500 prospective teachers wrote the first Ontario teacher qualifying test, and 97% passed. Those who were unsuccessful have the opportunity to write a future test.

The qualifying test promotes accountability and, again, it gives parents the assurance they've asked for that new teachers entering the system have a solid foundation of knowledge and skills to help students achieve success. We're also working to attract and retain

teachers in all subject areas, because we know how important the influence of a teacher is to the success of Ontario's young people. We have actually increased student spaces at Ontario's education faculties. From 1999 to 2003, 6,000 new spaces for students have been created at these faculties. That is an increase of 24% over the previous five years.

In October, we also committed \$1 million to recruit more teachers, especially in the areas of math, science and technology. There was a recent recruitment campaign called "Be the Spark." It was a joint effort of the government, the Ontario Teachers' Federation, the Ontario College of Teachers, the Ontario Council of Directors of Education and the Ontario Association of Deans of Education. We've also relaxed the teacher pension plan rule to allow more retired teachers to work up to 95 days each year as substitute teachers. It is important that we do everything we can to ensure that we have well-qualified teachers to teach our children. It's important.

1550

I'd now like to turn to early reading and math strategies. Strong skills in reading, writing and math are fundamental to the success of all children, whether in their school life or in their future. I think we all recognize that the research indicates that it is preferable and important to instill these basics from the earliest age. Our early reading and early math strategies will help ensure that all students from junior kindergarten to grade 6 gain the solid foundation they need in reading, writing and math. We presently invest \$70 million every year to improve the reading skills of students from JK to grade 3. Last year, we committed an additional \$30 million in one-time funding to expand the early reading strategy to grade 6 and to introduce the early math strategy. Both strategies include a combination of setting improvement targets and providing supports to teachers, students and parents to help them reach their targets.

One of the initiatives that we have found to be very successful and in demand is the parent guides we have developed for both reading and math to help parents support their children as they learn these important skills. In fact, we've also had a lot of grandparents ask for the guides so that they can help their grandchildren.

The early reading strategy also includes intensive support to a selected number of schools where grade 3 reading performance has been consistently low. This year, 29 schools are participating. They have each developed a plan to improve their students' reading scores. They are given additional resources, training and the assistance of early literacy experts to improve the reading skills of their primary students.

I've had the opportunity to visit some of these schools this past year and I have to tell you that I've been impressed by the hard work and commitment of the principals, teachers and other staff in those schools to helping students achieve success. I'm pleased to say that we are already seeing improvement in the grade 3 reading scores in many of the schools participating in the

program. More schools will be selected in the 2003-04 school year. I don't think there's anything more satisfying than the look on a child's face when they learn to read and know they're able to do well.

In order to more effectively teach reading and math in the early grades, our government also established two panels of education experts to determine the core knowledge and teaching practices that are required.

Teachers and principals will soon gain the benefit of additional tools and strategies. For example, as part of the implementation of the early reading strategy and the early math strategy, teachers will receive resources and training in a wide range of research-informed instructional techniques. This will include how to create and enhance children's phonetic awareness. These tools and strategies will help teachers make the informed choices they need to make about which teaching method works best for their students. It really is up to teachers to make those decisions. They're in the best position to do so.

The in-depth training program for junior kindergarten to grade 3 teachers and elementary principals is based on core knowledge and best teaching practices taken from the early reading and early math expert panel reports.

I'd like to turn now to student achievement. Our government realized the need for early reading and early math programs because of the results provided by standardized testing. We now know how our students are doing, and we know how we can best support our students to do even better. Regular testing has provided us with an effective way of measuring how our students are learning and how they're doing in comparison to other jurisdictions. Student achievement has improved as a result of the new curriculum, the early reading and math programs and, of course, the tireless work of the students themselves, their teachers, their parents, the trustees and members of school staffs.

Provincial, national and international results show that Ontario students are performing as well as or better than students anywhere in the world when it comes to reading, writing, math and science. In fact, I want to share some of the results. They are truly impressive. I can tell you that we have people who come to this province to meet with the staff of the Ministry of Education to see why we're doing so well.

Let's turn to reading. The 2001 Progress in International Reading Literacy Study results show that in Ontario, 9- and 10-year-old students ranked higher than students in Quebec, the United States, Germany, Hong Kong, Norway and Israel, as well as at least 20 other jurisdictions. Last year, 55% of grade 6 English-language students achieved the provincial standard on the EQAO assessment in reading, compared with 48% four years ago.

In writing, last year 55% of grade 3 English- and French-language students achieved the provincial standard on the EQAO assessment. This compares favourably to 49% for English-language and 42% for French-language students only five years ago.

The 2002 school achievement indicators program assessment showed Ontario's 13-year-old English stu-

dents ranked first—I repeat, first—in Canada among English-language students, and our French students improved their ranking from 15th to sixth—impressive results indeed.

In mathematics, the Trends in International Math and Science Study shows the average for Ontario grade 8 English-language students has increased by 15 points since 1995, compared with an increase of two points internationally. Now, this is truly impressive. Only one other jurisdiction in the world saw a better increase.

Since 1997, Ontario's ranking for 13-year-old French-language students has increased from 15th to fifth among 18 Canadian jurisdictions in the problem-solving component of the school achievement indicators program, or SAIP, assessment of mathematics. Last year, 58% of grade 3 English-language students achieved the provincial standard in math on the EQAO assessment compared with 43% five years ago. Also, 63% of grade 6 French-language students achieved the provincial standard in math compared to 55% five years ago.

Let's turn now to science. According to the TIMSS, since 1995, averages for Ontario's grade 8 English- and French-language students have increased respectively by 20 and 30 points compared with an increase of only three points internationally. Again, this is truly impressive.

Our education reforms are working, and these results clearly show that Ontario students and teachers are rising to the challenge. Through our participation in the Ontario Educational Leadership Centre, we are also working to provide students with a unique opportunity to develop and enhance their personal and leadership skills through the fine arts, music, athletics, diversity education and student advocacy.

Now I'd like to turn to a group of students who have always been near and dear to my heart, the students at risk. We all recognize that not all students learn and achieve or can be evaluated at the same rate or in the same way. The new curriculum provides remedial course support for students who would have difficulty with the grade 10 literacy test. As I mentioned earlier, based on the advice of the task force chaired by Barry O'Connor, director of the Limestone board, we are implementing the recommendations through the \$50-million Graduate in Ontario by Achieving Literacy Standards, or GOALS, strategy. This strategy will help students in grades 7 to 12 who need extra assistance in reading, writing and math so that at the end of the day, they can successfully move on to the workplace or to further education. The program will include new approaches to teaching literacy and numeracy. It will provide flexible school timetables and a full-credit literacy course equivalent for diploma purposes in grade 12 to the grade 10 literacy test. So students in grade 12 who have not passed the literacy test will now have the opportunity, beginning in September, to have their reading and writing skills assessed, meet the required standards and be one step closer to obtaining their secondary school diploma.

1600

We've also established expert panels on literacy and numeracy and a working group to suggest other pathways

to support our students at risk. In 2003-04, student-focused funding will flow \$580 million to boards to help students achieve higher standards. This includes \$358.3 million through the learning opportunities grant for programs such as remedial reading, early literacy, literacy and math programs from grades 7 to 12, summer school programs and the new student-at-risk component; \$190 million through the language grant for English as a second language.

The Vice-Chair (Mr Alvin Curling): You have two more minutes, Minister.

Hon Mrs Witmer: Thank you. There will be \$15 million through the language grant; and \$20 million through the continuing education grant. We're also going to be flowing money for special education. This year it's expected to increase to almost \$1.65 billion, an increase of 41% since 1998-99.

I think it is apparent that the changes we have made in the system, building on the strong foundation, are allowing more and more students to achieve success.

The Vice-Chair: The official opposition has 30 minutes.

Mr Gerard Kennedy (Parkdale-High Park): Minister, with your co-operation I'd like to dispense with a lot of commentary. I would like to cover as much ground as possible. As you've noted in your remarks, there are a lot of different areas to discuss in the context of the estimates.

I wonder if I could then raise with you some of the maybe broader issues as they're seen by the public, and that is through some of your advertising that you've authorized with the public, paid for out of the estimates that we're examining. I'm wondering if you could let me know, Minister, how much money you authorized this year to be spent on advertising by the ministry, and if you have a comparator to last year, that would be helpful as well.

Hon Mrs Witmer: Mr Kennedy, I'm going to ask Mr Kurts to come forward. We'd certainly be very pleased to respond to that question.

Mr Michael Kurts: My name is Michael Kurts. I'm the executive director of communications for the Ministry of Education. Give me one second and I'll just flip to that information.

The expenditures for last year for advertising, in the 2002-03 fiscal year, were \$5.4 million: \$4.3 million of that for media purchase and \$1.1 million for the production of advertising. This fiscal year, the ministry has incurred costs of approximately \$3.7 million for advertising. That's \$3.5 million for the purchase of media time and \$200,000 for the production of advertising.

Mr Kennedy: Where in the estimates—would that come out of your budget, sir? Is that where we'd find it, under "Communications" on page 35?

Mr Kurts: That's correct, yes.

Mr Kennedy: It notes here, on page 35, transportation and communications going from an actual last year—maybe you can help me with this number, just based on what you've related. It says here the total budget in

interim actuals was \$4.9 million, and you just indicated a total of \$5.4 million in 2002-03. Does that mean that the advertising budget is spread among different line items?

Ms Donna Marafioti: I can clarify that.

The Vice-Chair: Could you state your name, please.

Ms Marafioti: I'm Donna Marafioti, chief administrative officer for the Ministry of Education.

I think we did indicate previously that the advertising costs for different programs are found in different places in the ministry's estimates, depending on what program you're doing advertising on. So you will not find all the advertising-related costs in the ministry administration line, where the communications branch appears.

Mr Kennedy: Where else might we find such expenses?

Ms Marafioti: We haven't got—

Mr Kennedy: Could we get that in writing as a response, if you don't have it?

Ms Marafioti: We can indicate to you, basically, for the programs areas which areas we've done advertising in and which program budgets would be covering the costs associated with the dollars that—

Mr Kennedy: Sure. I wonder, then, if I could come back to—

The Vice-Chair: Let me see if I understand it. Did you indicate you will get it in writing? You will?

Ms Marafioti: Yes.

Mr Kennedy: Great.

I wonder if I can come back, then, to the question about this year's advertising. The number indicated was \$3.7 million. How much is budgeted for this year, may I ask?

Mr Kurts: The figure I gave you is the amount of money that has been spent. I can't give you a figure for the full year.

Mr Kennedy: Why is that, if I may ask?

Mr Kurts: I can't give you a figure because the final decisions haven't been taken about other advertising which may occur in the year.

Mr Kennedy: Yet you have a budget line—for example, here it has increased by \$2.9 million over estimates and is more than double what was actually spent last year, just the line item we talked about, which itself is incomplete. Do we not have any plans to support that level of increase? There are no details here. Or maybe there is something else in transportation that accounts for that.

Ms Marafioti: Yes. Again, there are many other expenses that are in the transportation and communications line, so it includes travel, it includes many other expenses, not just advertising.

Mr Kennedy: But it's interesting: just for the public interest, we're here to look at the estimates, your spending plans, and there's no plan to support a number in here, which may be \$5 million or may be \$11 million. We're told we're spending \$3.7 million already and there aren't any plans to spend more, but this line item is up by a fair amount. Is there nothing we can see that would at

least sketch out what the ministry wants to do by way of advertising? There's nothing at all?

Mr Kurts: No. As I said, I can't give you a figure for the full-year costs. What I've given you are the expenditures that have been incurred so far this year. I can tell you that the expenditures under advertising are governed by the advertising and creative communications services procurement directive, which is a document that's prepared by the Management Board Secretariat.

Mr Kennedy: Yes, I'm aware of that directive and I'll come back to it very shortly.

I want to ask you, then, if you can provide me the money that you've already spent on specific campaigns. Can you let us know how much money you've spent, for example, on television ads for the special education ad, the testing ad, the report card ad, or were they bundled together? Can you let us know any details of that?

Mr Kurts: I can simply tell you that the numbers I've given you cover all of the communications or the advertisements that have been on. There have been three television commercials. The first was on special education; there was a second ad that spoke about student test scores; and there was a third ad that was on up until recently on student marking, which featured exemplars and some others.

Mr Kennedy: I'm very aware of the answer and I appreciate the opportunity to revisit that, but I was hoping that you could tell us how much money was spent on each. Or are there details about the kind of advertising you bought, the kind of media buy that there is? Do you have that kind of information that could be tabled with the committee so we could examine how you were communicating with the public? Is any of that detail available?

Mr Kurts: I do not have—

Mr Kennedy: First of all, the costs of those individual campaigns: I think you're indicating you don't have that.

Mr Kurts: As I say, I don't have a breakdown.

Mr Kennedy: Secondly, though, the details of the campaign itself: when and how many TV spots you purchased, at what price and on what stations, over what dates and periods of time—is any of that available?

Mr Kurts: The advertising began on March 3. The first advertisement, which was the special-education-related advertisement, and then the most recent advertisement which dealt with exemplars and some of the other publications that we provide to assist teachers in implementing the curriculum, ran until last week.

Mr Kennedy: Do we know, then, the other detail I requested? Is that available? Is that something that could be provided?

Mr Kurts: I don't have it with me, sir.

Mr Kennedy: Could it be provided, Deputy or Minister?

Mr Kurts: In terms of when each of the commercials ran?

Mr Kennedy: Right, just knowing what your media plan was out there.

Mr Kurts: Yes, we can provide that.

Mr Kennedy: Great.

The Vice-Chair: Just let me understand, Mr Kennedy: is it the detail of all the expenditures in time as he laid out? Would that be tabled, did you say? I didn't get that.

Mr Kurts: I can certainly give Mr Kennedy a breakdown of when each of these advertisements was on the air.

Mr Kennedy: That would be terrific.

What I'd also like to know, then, is who developed these ads. Were they done by yourself? You are, as I understand, in charge of the communications branch and part of your role is described in the estimates book as advice and services on advertising. Did you develop the ads?

1610

Mr Kurts: Yes, the ministry works with advertising agencies to develop the advertisements, and then they go through a process of approval within the ministry. We do a fairly rigorous process to ensure that the advertisements that we put on the air are accurate and factual. That would involve—

Mr Kennedy: Right. I'm going to ask that question, but I wanted to get to the question of who did the advertising content, the creative—for example, is there an agency of record?

Mr Kurts: The ministry works with two agencies in terms of development of content for advertisements. One is called Draft World Wide.

Mr Kennedy: Draft World Wide, yes.

Mr Kurts: And the other is called "Flavour."

Mr Kennedy: OK.

Mr Kurts: The ministry also works with the government's advertising buying service, the media buying services. That's the agency that's responsible for the buying of advertising.

Mr Kennedy: Right. I'm wondering if you could tell me, were there any consultants at all involved in the developing of these commercials? Anybody beyond those two agencies or the ministry's staff?

Mr Kurts: The agencies work with all kinds of people—

Mr Kennedy: So, people that they would have retained rather than yourselves. Can I ask specifically, are you aware, was David Small involved in these advertisements at all?

Mr Kurts: David Small is not on contract to the ministry.

Mr Kennedy: OK, because at some time he was. I'm just asking that question. I'm wondering then, who approved the content of the adds? Who in the ministry approved the content for them? Who ultimately would have done that?

Mr Kurts: As I said to you earlier, Mr Kennedy, when we develop an advertisement, it goes through a very rigorous process of ensuring that the material that's in there is accurate and in keeping with facts as the ministry—

Mr Kennedy: I really don't want to interrupt, but I'm wondering if there is a shorter answer, just around the

question I'm asking about who, rather than the process. Is there a specific individual in the ministry responsible for approving the content? That's the main—

Mr Kurts: It depends on the content of the ad. We go to the relevant expert in the ministry who has the expertise in the content of the advertisement.

Mr Kennedy: OK, let me just ask you then—I've got here a copy of the advertising content directive that applies to your ministry. It says in there very clearly that the deputy approves the ads. Now, I'm just checking to see that this is the case in this regard. The deputy, it says, has a very special requirement in fact to deal with this, and I'm assuming that was followed in the case of the advertisements we're referring to. Is that correct?

Mr Kurts: Yes.

Mr Kennedy: OK. I'm just wanting to be sure of that.

Now, it says also—and the committee may wish to avail themselves of these guidelines, the advertising content directive. It's very straightforward, as far as I can tell. It says here the kind of requirements that have to be met and so forth. I'm just wondering, do you have something that you can table, a communications plan that shows what the objective is for these ads? Because it's required under these guidelines. Do you have that plan and could it be tabled for us today?

Mr Kurts: I don't have that with me currently.

Mr Kennedy: Is there such a plan supporting these different ads?

Mr Kurts: I can't speak to a specific plan that is related to these particular advertisements. In terms of following the content directives, I'd turn to page 2 of the content directives at the bottom, where it talks about examples of suitable uses for government advertisements.

Mr Kennedy: But, sir, I wonder if I might, I'm just asking very specifically—as you know, the directives talk about having a communications plan. It says, "Prior to commencing advertising campaigns, ministries must complete a communications plan and obtain the required ministry and central agency approvals." What I'm asking for, very specifically, is a communications plan, presumably written down that supports the good that these ads would do and how they would meet these particular objectives. I have the guidelines in front of me, and what I am asking is, were they carried out in this very specific respect: are there plans that support this \$3.7-million expenditure to say how this would benefit—it suggests in these guidelines, states in fact, there should be market research conducted ahead of time; it must be done. Was that done? Is there a plan and was there market research conducted? Could you answer those questions?

Mr Kurts: There was research that was done. As you would know, the ministry did a survey of parents in 2001-02, and one of the findings of that research was that parents—I'm trying to find the number exactly, but approximately 36% of the parents who responded to the survey said that they felt that they weren't getting sufficient information about programs that were available.

Mr Kennedy: That was the market research?

Mr Kurts: That was market research that contributed to making this decision.

Mr Kennedy: In other words, if somebody said they want general information—these are very specific ads, and I'm going to come to their content in a minute. But you haven't answered yet, and I'm sure—I put the two questions together, so let me separate them. Is there a communications plan, as required by the directive on advertising content? Does it exist? Is there such a plan?

Mr Kurts: All communications have to go through an approval process, including advertising. It has to go through the approval process that's outlined—

Mr Kennedy: Well, there are two types: one with a communications plan—and I'm asking if it exists and I'm not getting a yes or a no yet—or an exemption can be sought from Management Board. I'm wondering, which of the two types was this advertising? Did you seek an exemption from Management Board or is there a communications plan that we could see here at this committee?

Mr Kurts: There are various documents that went forward for approval. I'm not sure there's one that says "communications plan" at the top of it, but there are certainly a number of documents that went forward and received approval in terms of the appropriate process as outlined in the—

Mr Kennedy: But you're unsure whether a communications plan exists.

Mr Kurts: No, as I said, there are various documents that went forward for approval in terms of these advertisements.

Mr Kennedy: Could any of those documents, the ones that would be closest, meet the requirement for a plan? Can they be tabled here so we can have some idea about the assessment the ministry did before spending \$3.7 million? Could those be brought forward?

Mr Kurts: There are a number of issues with respect to those kinds of documents, so I would have to defer an answer to that question.

Mr Kennedy: Defer to?

Mr Kurts: I'd have to get back to you in terms of—

Mr Kennedy: OK. Pardon me, I thought you meant to somebody else.

I wonder, then, if I could ask you in terms of the role here. It certainly says—and the deputy has a very special role involved to make sure this is integrated into the efforts of the ministry and so forth. The question you deferred—can I also ask if you could supply us with the cost-benefit analysis, because it says, "No information campaign should be undertaken without a cost-benefit analysis." First of all, does it exist? Is there also a cost-benefit analysis for this particular \$3.7 million?

Mr Kurts: I'll get back to you with the answer to that question.

Mr Kennedy: You don't know, as the person in charge, or the deputy can't say whether or not there is a cost-benefit analysis at this time?

Mr Kurts: I'll get back to you with the answer to that question. There certainly were documents that went

forward in terms of assuring that these got the appropriate approvals to move forward.

Mr Kennedy: But at this time, you don't know, as the person responsible, whether that includes either a communications plan or a cost-benefit analysis.

Mr Kurts: What I would say is that we follow the advertisement procurement directives that are put out by Management Board Secretariat, the Advertising Review Board. They outline the responsibility we have in terms of the procurement of advertising and also the directives that we follow.

Mr Kennedy: That I understand. Are you also aware of the advertising content directives that come from corporate management?

Mr Kurts: Yes, I am.

Mr Kennedy: And you also follow those?

Mr Kurts: Yes.

Mr Kennedy: You understand that all I'm asking for are the things that are described in this directive.

Mr Kurts: And I'm not sure whether those are documents that we can provide to you.

Mr Kennedy: Right. The question I asked, just to be absolutely clear, was, first of all, whether the documents existed, and surely you can let us know whether you're conforming to that specific requirement: a cost-benefit analysis and a communications plan.

Mr Kurts: As I said, I will come back to that. I'll get the answer for you.

Mr Kennedy: I'm sorry that we couldn't get a straightforward answer to that, but I'll certainly let you defer, and hopefully it will be something we can get from you.

When you look at those guidelines—and I'd like to believe that they are in play in the ministry. Again, the deputy has a very specific responsibility to see that they are.

I want to ask, in the absence of documents that this committee can look at to see how you're spending \$3.7 million, what, in your explanation—you spent the money. Why did you want to show to the public—you seem to have a copy of the guidelines; maybe you could tell me how it is that the public would need to know about report cards that were brought into existence several years ago, why that required a portion of almost \$4 million to be spent. In other words, what did that ad campaign, in your estimation, try to accomplish for the people of Ontario?

Mr Kurts: I think we have a responsibility in the ministry to ensure that people get information about the resources and the programs of the government. The government has done a number of things and put a number of resources in place to support schools in developing its education reforms. They include exemplars that are discussed specifically in one of the advertisements, which give specific information to teachers and parents about the level of achievement they might expect of their children and give examples of what each of those levels of achievement actually looks like, with real information.

Mr Kennedy: I'm sorry to interrupt, but I was kind of hoping there might be something new.

Mr Ted Arnott (Waterloo-Wellington): You're sorry to interrupt?

Mr Kennedy: Mr Arnott, when you have your time, you'll be able to use it. You won't be using mine, I'll tell you that.

1620

Again, I just hope that you would bear with us. We have a precious amount of time to find out information from the ministry—that is the purpose of estimates—so we want to get over territory that isn't germane to that.

What I would like to know is how it is that the ad talking about a report card process put in several years ago was deemed by the ministry—and the deputy may wish to address this because she has a special duty under this. Why did the ministry now want to spend \$1.3 million or \$2 million or whatever it was talking to people about a report card? What were the particular objectives that were set for this campaign and how were they realized?

Mr Kurts: I would point to the advertising content directives, which I know you have, Mr Kennedy, and look at the bottom of page 2. It talks about examples of suitable uses for government advertising. They include: "to inform the public of new, existing or proposed government policies or policy revisions; to provide information on government programs or services or revisions to programs or services to which the public are entitled; to disseminate scientific, medical or health and safety information; or to provide information"—and I would argue that those advertisements definitely meet the first two of those things. They give information—

Mr Kennedy: But, sir, in a colloquial sense the idea of having that done—

Mr Frank Mazzilli (London-Fanshawe): Point of order, Mr Chairman: I know each caucus can use their time—

Mr James J. Bradley (St Catharines): Yes, they can. Quit blocking.

Mr Mazzilli: —the way they choose, but if—

Mr Kennedy: How is this a point of order, Chair?

The Vice-Chair: I don't think—unless—

Mr Mazzilli: You're surely welcome to do that. I think he's asking a question—

Mr Bradley: You're ragging the puck, using up the time.

Mr Kennedy: I hope this isn't credited to my time, this waste of Mr Mazzilli's time.

The Vice-Chair: Mr Kennedy, please.

Mr Kennedy: So you're saying basically that as long as it's information, there can be a campaign? There's no specific objective. You're talking to people about a report card that was put in place five or six years ago. You're making an ad out of it, and you want us to believe that it has a public purpose, but you can't state it here today.

My question is to the minister, to the deputy minister: state for us how \$3.7 million—and this \$3.7 million is about 160 education assistants in the classroom, so pre-

sumably you made this decision carefully. Sir, they want you to answer it, but I direct it back to the minister and the deputy: what objective were you accomplishing, telling people about six-year-old report cards? What was the purpose of that spending of money that could have been spent on something else? Why did you authorize it? What did you hope to arrive at?

Ms Suzanne Herbert: My name is Suzanne Herbert. I'm the Deputy Minister of Education for the province of Ontario. I believe, Mr Kennedy, that my director of communications has answered your question, which is that we know, from both our feedback forms and from the inquiries we get from the public, which are substantial, and I'll be glad to share with you the number of inquiries we receive daily from the public, that they want to understand what the government's reforms are. We have a duty to provide them with that information.

We also know that the response to our advertisements—that is, people who then follow up on our advertisements—is quite significant. In fact, their desire for more information based on our advertisements, which is, "Send me the guide," for example, "that helps me teach my child and support my child in early reading and early math"—we have substantial follow-up to the requests for more information, and the Web sites and the numbers that we publish.

So our goal is a fairly simple one. It is to demonstrate to the public what the nature of the reforms are, to ask them if they are interested in understanding these better and what their opportunities are to understand these better.

Mr Kennedy: You have a special responsibility to carry out this directive. You're to make sure, for example, that it avoids partisan political aspiration. I would say, based on your answer so far, that I am disappointed.

It says on page 5 that you're supposed to ensure "that advertising initiatives are integrated into the development, planning and implementation of policies and programs," and the best answer you're giving me is that you want to get information out to the public. In other words, you can spend \$4 million of the public's money any time, any way you want. I'm sure that's not what you believe. There must be more detail, there must be some kind of rationale here. If no studies exist—and I wonder, Deputy, now that you're addressing this, can you tell me whether the appropriate communication plan exists, and the cost-benefit analysis? Because if they don't exist, you're in breach of this policy.

Ms Herbert: As I said, Mr Kennedy, we have a rigorous approval process on the content of our advertising and we follow that process.

Mr Kennedy: But you aren't answering me here at the estimates committee. You've spent \$4 million, you've told us. You won't share with us the secret of how much more you plan to spend. You won't tell us how you go about the process. You want us to accept your assurance. You will give us no details. You will not give us the communications plan that's supposed to exist. Your officer in charge of that particular program isn't

sure it exists. You can't guarantee there's a cost-benefit analysis.

Can you tell us today what public purpose is being served by \$4 million, one portion of which at least is spent talking about report cards from six years ago?

Ms Herbert: I think I've answered that question, Mr Kennedy.

Mr Kennedy: Could you answer this question, please? How much did this education report, put out by your ministry, presumably paid for with dollars that could have gone to students instead, cost?

Ms Marafioti: I believe the cost is on the cover.

Ms Herbert: I think the cost is on the cover, Mr Kennedy. I'm sorry, I don't have my copy here.

Mr Kennedy: How much is this particular program costing?

Ms Herbert: Some 4.3 million Ontario households received that document, and I think the cost was 24 cents, if I remember, for each one.

Mr Kennedy: The total cost for the document, the creative and the advertising that you used, all the money the taxpayers paid, is how much, Deputy?

Ms Herbert: I would multiply 4.3 times 24 cents.

Mr Kennedy: Deputy, you can do better than that. Is there a written document that says how much this program cost?

Mr Kurts: If I could just state that the Management Board Secretariat actually manages the contract for those reports, the householders. As you know, there's been several of those. Those are managed centrally by the Management Board Secretariat. The ministry doesn't manage the contract.

Mr Kennedy: Does the ministry pay for this particular contract?

Mr Kurts: No.

Mr Kennedy: It doesn't pay for this? This is paid for out of Management Board?

Mr Kurts: Yes.

Mr Kennedy: OK. So the fact that it has education content means that—

Mr Kurts: It means that the ministry provided the content and went through the same rigorous approval process on that document as it does on other—

Mr Kennedy: OK, let's check into that. Is there a communications plan for this?

Mr Kurts: As I said, the contract for that and the planning for those householders or those reports are managed—

Mr Kennedy: But you're talking about the dollars and you're not able to supply us with the total amount. You say it goes through Management Board. But the advertising content directive—if you develop the content, you're supposed to follow this. I'm asking you again, for the record—we're here to authorize the \$4 million you've already spent and the X million dollars more—because you won't tell us how much—you want to spend. So far I haven't seen one piece of paper to justify that. What I'd like to know is, did you approve this content?

Mr Kurts: The ministry approved the content, yes.

Mr Kennedy: OK. Then you presumably followed these guidelines. So is there a communications plan to justify this particular content and is there a cost-benefit analysis to show that that effort is necessary?

Mr Kurts: As I said, that project is managed through Management Board.

Mr Kennedy: You would delegate somewhere else that requirement? Because the question I have is, did the deputy approve this as per the guidelines or did some other deputy approve this?

Mr Kurts: In terms of the content, yes.

Mr Kennedy: OK. Then, Deputy, I want to ask you: in the guidelines it says very clearly, "The material should be presented in unbiased and objective language, and in a manner free from partisan promotion of government policy and political argument." Is education being properly funded? Yes, it says. How do I know your plan for education is working?

Minister, it says also in the guidelines, "Information should avoid party political slogans or images. This may involve restrictions on the use of ministerial photographs...." There's the minister and there's the Premier.

Now, if you can't give us some non-partisan, professional, bureaucratic—and I say that in the best sense of the word—support for why you would spend millions of dollars on these initiatives and we read into them, as we're permitted to do and as most people in the province I think do, a partisan political slant, how are we to undertake this?

I assume, Minister, by your reputation, you take these guidelines very seriously. Deputy, I would like to know, do you have something to show us about why these particular expenditures were authorized by you?

Ms Herbert: As Mike has said, this process would have worked through Management board.

Mr Kennedy: But you approved the content?

Ms Herbert: Yes. The technical content of the brochure we would approve. That's quite right.

Mr Kennedy: Did you also approve the placement of the Premier's picture and the messages and the minister's picture and so on? Is that part of the content that you approved?

Ms Herbert: I must say I don't approve pictures, Mr Kennedy.

Mr Kennedy: Well, it is part of the content. Somebody designed this and somebody approved this. So far, at least, you've said that you approved this.

Ms Herbert: I approve the content to ensure that the content is correct.

Mr Kennedy: The guidelines suggest that somebody has to approve it all. Who else would be involved in the approvals, then? If somebody else approved this particular document, who would we look to for that answer?

Mr Rosario Marchese (Trinity-Spadina): Did you see the pictures?

Ms Herbert: As I said to you, the entire project was managed through Management Board.

Mr John Gerretsen (Kingston and the Islands): They're not to blame. It's management.

1630

Mr Kennedy: OK. What we have so far, then, is \$3.7 million of spending. The ministry has no documentation for this spending to share with the committee. It's only the committee that's supposed to authorize the money in the first place. We have television ads for which we have no communications plan, at least none that can be tabled. There may be some documents, but you're unsure whether we'll have access to them.

I want to then turn to another part of the directive: "The information campaigns should be directed at the provision of objective, factual and explanatory information.... It should be presented in an unbiased and equitable manner." Now, I want to ask you, Deputy, because you approved this. Advertising Standards Canada found that one of your ads, the special education ad, had inaccurate information in it. In other words, an objective body looked at the information that you approved and said that it was inaccurate.

Deputy, it takes on a special significance because your minister, the Premier of the governing party and various other representatives of the government made this representation that was repeated in the ad. Advertising Standards Canada, which is an independent, arm's-length adjudicator of accuracy and misleading statements in advertising, has found you to have made inaccurate claims. I'm wondering, Deputy, how you justify having done that.

Ms Herbert: I'd be happy to explain to the committee the issue that Mr Kennedy is referring to. The ministry did indeed receive a letter from Advertising Standards Canada indicating that the complaint—there were various complaints made about that ad, many of them general in nature. Some were specific, particularly about the timing of the flow of the \$250 million which the ad addressed. The ministry wrote back to ASC in April defending the ad. The ASC wrote back on May 2 informing the ministry that the complaint was upheld by the council under clause 1, which is, as Mr Kennedy has said, accuracy and clarity of the Canadian code of advertising standards. The decision was made by a volunteer council made up of representatives of advertisers, agencies and the public.

We appealed this decision. That decision is under appeal right now.

Mr Kennedy: Would you be able to share the appeal information or any of the information that you provided to Advertising Standards of Canada about this misleading information? Do you have that with you today?

Interjection: We don't want this information at the—

Mr Kennedy: Would you have that, Deputy?

The Vice-Chair: Your time is up. The third party has 30 minutes for their response to the minister's statement.

Mr Marchese: Minister, I think the situation is just too tense and we need to ask different questions.

Hon Mrs Witmer: Oh, I love to hear your questions, Mr Marchese.

Mr Marchese: Secondly, do you have anything to do with the fact that this room is very cold?

Mr Witmer: Well, the first thing I asked when I got in here was to turn up the heat. They tell me they had this problem last week.

Mr Marchese: So what you're saying is that you have no ministerial power to change this?

Hon Mrs Witmer: I don't.

Mr Marchese: So neither you nor the Chair of this committee has any power whatsoever.

Hon Mrs Witmer: No.

Mr Marchese: I see. All of these members, staff over there and these poor ministry people and political staff and possibly others are going to have to suffer here along with the rest of us.

Hon Mrs Witmer: It will keep us on our toes.

Mr Marchese: Oh, and more than that.

I want to talk to you about school safety.

Hon Mrs Witmer: How did I know that was going to be the question?

Mr Marchese: I don't know. You have this other, sixth intuition that some people don't have.

School safety is a concern of mine. Of course, it's a concern of yours too, I know that, and it's a concern of many parents and non-parents. I'm convinced that people who don't have children are equally frightened about what's going on in and outside of our schools. So for me it's particularly tough because one of the parents whose child was approached by an intruder lives in my riding, and it was in one of my schools, Essex-Hawthorne public school. My stepdaughter actually goes to that school as well.

Hon Mrs Witmer: Which one? Essex?

Mr Marchese: Essex-Hawthorne.

But it's not because of that. As parents, we are all worried about these things. My point is we need to do whatever we can to make sure that whatever is within our control is being done. The questions I've asked of you today and the question I asked the Premier yesterday have to do with our ability as a government, with your ability as a government member and with mine to ask you the question, to see what it is that we can and should be doing. The points I raised were, if we had more caretakers in our schools—because we've lost many of them—it would be better because they would be more eyes and ears for school safety in our schools; if we had more vice-principals, it would be better because there would be more eyes and ears in terms of people who would be keeping an eye on intruders; if we had more education assistants or lunchtime supervisors, if we had such personnel, not that it would solve all the problems that could possibly happen, but we believe if you had more adults in the schools, it would be safer for our children.

Perhaps you could just tell us again, and whoever is watching, what your answer is with respect to that question.

Hon Mrs Witmer: First of all, this is a very serious issue: the need for all of us in positions of responsibility

to make sure we do everything we possibly can to keep our children safe. I guess the situation you are concerned about—the reality is that unfortunately some children in the company of their parents, with parents just a few feet away, have been approached by a stranger, and it's certainly a very serious and frightening situation, but let's focus in on the schools.

Our government recognized that there was a need to introduce the Safe Schools Act. We'd never had one until the year 2000. As I said earlier, Mr Marchese, we introduced that legislation. Unfortunately, I don't think your party or the Liberals voted for it. What it really did was move us toward making sure we could protect our students and our teachers within our schools.

The steps that have been taken include the Charter of Education Rights and Responsibilities, which outlines that every student has the right to a safe learning environment. Justice Robins released a report entitled *Protecting Our Students*, and our government acted quickly to respond to the recommendations to make our schools safer for kids.

The government implemented a number of safe school initiatives addressing the Robins report. In our Safe Schools Act and in regulation we mandated a provincial model for a local police-school board protocol, and mandatory criminal background checks for everyone teaching or working in schools who come into contact with our students on a regular basis. Now 86% of school boards have local police-school board protocols in place, and the other 14% are negotiating them. That's really important.

We have this provincial model for a local police-school board protocol; on December 8, 2000, the provincial was released. It's a joint effort between the Ministry of Education and the former Ministry of the Solicitor General, now the Ministry of Public Safety and Security. It facilitates a consistent approach in developing local protocols, and fulfills the requirements regarding police involvement as set out in the Ontario Schools Code of Conduct. It addresses the recommendations made in the Robins report and two coroners' inquests. It sets provincial expectations for local protocols. All school boards were required to revise their existing procedures or develop a new protocol with their local police services by September 1, 2001.

Also, our act effected the access to school premises regulation, in effect on September 1, 2000, that specifies who is permitted to be on the property. Obviously there is a consequence for persons who are on school premises without being authorized by the regulation. Again, the principal has considerable liberty. I think that's important. Significant steps have certainly been taken in recent years to ensure that our children are safe.

1640

I would also say that as a result of what's been happening in the city of Toronto, all communities are now meeting with police. All Toronto school board principals have been advised that security staff and safe school coordinators, along with police, are on heightened alert,

ready to assist. Schools in the affected areas have been provided with specific support by the southwest TDSB safe schools office. Principals have been asked to review their plans and procedures with all concerned.

The following considerations have been sent to all TDSB principals for follow-up: procedures for letters that may be sent home to reassure parents that the board is taking the situation seriously. The board is continuing to take every precaution to ensure the safety of children. There's ongoing daily consultations with the safe schools office. An adviser from the safe schools office is visiting schools to review security procedures and make appropriate suggestions if changes are deemed necessary. Teachers and school administration have reviewed safety procedures with all classes. They have ensured that students fully understand what actions are to be taken. It was also stressed to students that they should not travel home alone, but with a friend or parent. Students were told that all reports of mysterious or unusual behaviour on the part of adults toward students will be and should be taken seriously and reported to the appropriate authorities. The buddy system in schools is in place. The procedures for entry to schools at times other than the start of the day have been reviewed. All but the main doors to the school are locked. Staff have been asked to immediately challenge any adult in the building who is unknown or without a visitor pass and ask them to report to the office. The TDSB has heightened its security presence, in particular in the Perth Avenue and Essex school areas, with increased drive-by and foot patrols.

I will end by saying that the safe schools office is in direct communication with the Toronto police services and is keeping the schools informed of any changes. I have to commend the Toronto school board. It is a very, very difficult situation at the present time. There's a tremendous amount of anxiety. You can't go to the grocery store for fear that your child is going to be confronted by a stranger.

Mr Marchese: Thank you for the long answer. Can I ask you, how does your Safe Schools Act, the provincial model police protocol, the code of conduct, the issue of access and who is permitted, and the consequences against those who are not permitted in, how do those issues protect schools from people who might be going into the schools?

Hon Mrs Witmer: Unless you gain the approval of the principal in the principal's office, strangers are not allowed into the schools nowadays.

Mr Marchese: No, I agree. But how does—

Hon Mrs Witmer: As I think I said to you, only the one door of the school is open now.

Mr Marchese: I understand that. For some reason, you introduced the Safe Schools Act—and insisted on pointing out that we were opposed to it, of course—and I was just trying to gather from you the connection between the police protocol and the code of conduct that's contained within the bill, the punishment to those who are not permitted in and how that protects students who might otherwise be accosted by some stranger.

Hon Mrs Witmer: I'm going to ask Marie-Lison to come up here, since she has been involved in the development. She will bring it all together for you, because I do think this is really important information.

Mr Marchese: But is she going to have a whole couple of pages to read, or what do you think?

Hon Mrs Witmer: We won't read to you.

Mr Marchese: All right.

Ms Marie-Lison Fougere: I'm Marie-Lison Fougere, director of the policy and program branch. If I can try to make connections with all of those initiatives, within the Safe Schools Act that was adopted in 2000, the code of conduct was designed, really, to set standards across the province so that there would be a greater level playing field among schools and school boards as to how to manage the conduct of students and employees within the school environment and make sure there was as much consistency as possible across the province. The code of conduct applies to both staff and anyone found on the premises of the school, and also students.

The police protocol was designed as a tool to support school boards and schools in order to make sure that the ways in which schools, under board policies, communicate with the police—that once again there is a guide to make sure that the communication protocol unfolds accordingly and that also the school staff, namely the principals, are well equipped to know when and on what basis to actually liaise with the police. This was very much a negotiating process between the police—

Mr Marchese: What kinds of issues would they be dealing with?

Ms Fougere: They might be dealing with an infraction under the code.

Mr Marchese: What kind?

Ms Fougere: It could be a student who is found with a weapon, but it could also be in relation to an intruder who is not authorized to be on school property and as such is intercepted by the principal or whomever would actually see that individual on the school premises. So there's a wide range. Some of it applies to infractions committed by students; some of it applies to individuals who are not lawfully authorized to actually be on school premises. This would be a ground on which the board would communicate with the police.

Mr Marchese: I understand. Do you think, Marie-Lison, that if we had more caretakers in the schools—who have been cut over the many years that this government has been in place—that would help with the issue of safe schools? Do you think that if we had more caretakers it might help?

Ms Fougere: I think the responsibility for implementing the requirements of the Safe Schools Act and for ensuring that school safety is maintained as much as possible is very much a responsibility of the principal in consultation with the staff, and it's actually quite clearly outlined in the Education Act. It is then up to the schools and the boards to make sure there are appropriate resources to ensure the safety of students and staff, and I would say generally speaking it is the case.

Mr Marchese: Is it the case that they are generally well staffed?

Ms Fougere: No, it is the case that safety is taken very seriously and that school boards and schools do take the issue very seriously—

Mr Marchese: Of course they do. No one's questioning that.

Ms Fougere: —and make sure that there is proper action taken in relation to that.

1650

Mr Marchese: Of course. I thank you for providing some background to the Safe Schools Act, which we're now debating here. But I just want to talk to the minister for a few moments, as soon as she's free and available.

Minister, I have a concern. I basically am arguing that the Safe Schools Act doesn't really deal with the question I was asking. What I'm saying to you is that there are a lot of parents like me who believe that having more caretakers, vice-principals and educational assistants cut from our schools would be an important component of issues of school safety. In other words, they would be able to keep an eye on who's coming in, who's going out, and then they would be able to apply the proper protocols. If we don't have the eyes and ears, the proper protocols don't work, you see.

The question I'm asking you, Minister, is, do you think if we had more caretakers in the system, or more vice-principals or educational assistants and lunchroom supervisors, that would be helpful?

Hon Mrs Witmer: Do you know what I think is really important? I think it's important that we keep in mind that the principals in the city of Toronto are taking all the measures they possibly can to protect students. Despite the best efforts of parents, principals and police, unfortunately there is an individual there who's getting close to children.

I just want to share with you from the TDSB a letter that has gone out to all school administrators in the immediate area of Essex and Perth Avenue schools. It's from Bill Byrd, the safe schools administrator. It is as a follow-up to the incident that you mentioned with students from Essex school being approached by a man near Essex school on Friday, June 6, 2003. It provides some facts. It says, "To date there is no hard evidence to connect the person sighted near Essex to the Holly Jones situation. To date there is no hard evidence to say that the person from Essex is in fact the same person that has been sighted or involved with other incidents with children near some of your schools or malls."

Mr Marchese: I appreciate that.

Hon Mrs Witmer: I think, personally, that those in charge are doing everything they possibly can to protect the children.

Mr Marchese: I have no doubt. But you see, Minister, what I'm saying is the following: I'm not attacking the school board—I'm not and I haven't, as you know—and I'm not saying that principals are not doing their best. I haven't said that; I'm not saying that. I'm not accusing principals of anything. I'm convinced, as a result of this

incident, that many schools are going to bring about greater safe school protocols that will be better for all students in the future and less worrisome in the future for parents. I'm not disputing that at all. The only argument I was trying to make with you to see whether you and I agree or not is that the Toronto Parent Network has tracked cuts to caretakers, and they said there has been a 21% cut.

Hon Mrs Witmer: Do you have those data, Mr Marchese?

Mr Marchese: Yes. I don't have the report; I just have the numbers here that I'm using. But then you can tell me what data you have.

The caretakers have sustained a 21% cut, educational assistants in kindergarten a 25% cut, vice-principals a 20% cut, and we know your friendly supervisor is looking at making more cuts this year. We understand that he might be having 300 caretakers replaced by contract cleaners working in the evening—God bless him—and educational assistants for regular kindergartens will be reduced to 350 from 772.

You might have different facts that you might want to publish with us some day or at least share with us, but these are the facts we're aware of. What they're arguing, that I argue as a parent, is that if we had these people in place—because they perform functions that go beyond just school safety; they're obviously educational in nature, by and large—if we had these adults, beyond the educational value they also provide school safety, eyes and ears. What I'm trying to ask you is, do you agree with me or disagree with me? Do you agree with the numbers that I have shared with you? Secondly, do you agree that if they were there, they would provide better safety in the schools?

Hon Mrs Witmer: I guess what I would say to you is, first of all, I regret that there are those who are speculating about what may or may not happen in the new budget. I guess those were some of the same people who were speculating about the fact that Mr Christie would lock out the teachers, which, of course, he never did. I think we need to recognize that some of this speculation is not accurate.

I guess what I can tell you is that certainly we have been informed that there is a belief that there is adequate staff within the schools to provide for those students.

Mr Marchese: What you're saying is that, first of all, you're not acknowledging whether these cuts are real or not—are you?

Hon Mrs Witmer: Well, do you know what? I have no idea. As I say, I've been told here that some of this information may be derived from the Parents for Education report. I don't have access to those figures that you're talking about. I can tell you that there has been an increase of funding to the Toronto school board this past year and the year before. I think they're presently receiving somewhere in the neighbourhood of \$2.1 billion. Certainly, they are doing everything they can to ensure the safety of the children in their care.

Mr Marchese: Can I ask you, Minister—you or the deputy—do you track the numbers around caretakers, ed assistants, vice principals and the like? Do you have any figures to share with us, by any chance?

Hon Mrs Witmer: I just want to go back. The Toronto school board is projected to increase by over \$99 million this year. That's a 5% increase over last year, and their enrolment is going to be decreasing by 4.2%. I think that's important information to have. They have \$69 million in flexible funding in 2003 and 2004.

Mr Marchese: I will try to get to those numbers if I can, possibly later or tomorrow.

Do you or your deputy minister track the level of services? Let's not call them cuts, because you probably don't like the word. Do you track the level of service that we get in those areas—from, let's say, 1997 to the present?

Ms Herbert: We don't track—that's what I was just checking with my staff—the data in a year-over-year way. We can extrapolate data that is about two years out of date, only because of the fact that the boards report their actuals.

Having said that we don't track data but we can extrapolate some data, I would say that we don't track services. As you know, the funding formula is a benchmark system to get money to the boards, but the boards make individual decisions about how they prioritize the use of their spending to create services. I want to draw the distinction between services and—

Mr Marchese: Can I ask you, Deputy, does it worry you when People for Education or the Toronto Parent Network says there have been tremendous reductions in services? First of all, does it worry you? Secondly, would you not want to either prove or disprove their numbers as a way of saying it isn't happening, or it is, or let's see how one balances out with our own studies? Do you have an interest in doing that? Either of you, really.

Hon Mrs Witmer: I guess I would say to you I understand that if you take a look at the TPN report, actually only 12.6% of schools reporting could be officially tracked. It's not a totally accurate number, and I think we have to be careful with the methodology that's being employed, that we don't use figures that maybe don't give the most accurate representation of what's happening within the school system.

1700

Mr Marchese: Sure, I understand. But doesn't it worry you to have these various groups out there doing these things and that you don't offer your own methodology or your own tracking system as a way of saying, "Good heavens, these people are doing these things and they're not accurate, they're not scientific, and that makes me look bad as a minister or as a deputy. Surely, after all these years that Marchese has raised these questions in the House, we've got to do something"? Isn't that really—

Hon Mrs Witmer: But I've just shared with you half an hour of how we are building a stronger public education system.

Mr Marchese: I was going to give you more time. I almost moved a motion, seeing you didn't finish your report. I'm sorry I didn't do that.

Hon Mrs Witmer: Anyway, the deputy is going to respond further, Mr Marchese.

The Vice-Chair: You have all of three minutes to do it.

Ms Herbert: Mr Marchese, I think you've raised a very good point: the question of how does the ministry across the province collect its data and how does it track what's going on in a year-over-year and comparative way? I think that's a fair question to ask us.

As you know, until recently—1998—the ministry was more of a policy ministry than a funding ministry. It had a different role and accountability in education than the role it has now. Part of what we've been working on over the last couple of years is a fairly major information management redesign.

You may know that this year we've rolled out a new education number system for the entire province which will allow us to begin to gather data in a more comparative and useful way. It focuses first, I think it would be fair to say, on trying to collect and analyze how our students are doing and on their credit accumulation, retention rates, the kinds of things that are important for us to know from a policy perspective. Our hope is that within the next two years we'll have a very robust and useful information system. You can find the early products of that design on our Web site now, with a fair amount of detail on each board and on board profiling.

Mr Marchese: But I really think you've got to spend some money on this. I think that would be worthwhile money spent, don't you agree?

Ms Herbert: I would say that I am spending some money on that now.

Mr Marchese: On this tracking business?

Ms Herbert: Yes.

Mr Marchese: And the minister agrees with you?

Hon Mrs Witmer: Sometimes when I go to look for information, I've come to learn that what the deputy said is accurate. There haven't been data collected in the past; it really has been very much focused on policy. So that information is currently in the process of being gathered. And do you know what? You and I are both going to have access to it in the future.

Mr Marchese: Yes, there you go. It would have great educational value, wouldn't it? Possibly more so than that little booklet Gerard had. Gerard, where's that little booklet?

Interjection.

Mr Marchese: I don't mean to compare, really, because that's unfair. It would have just as much value as this, I suspect, wouldn't it? I look at Ernie smiling; he's happy still. Elizabeth, you're happy here too, by the way.

The Vice-Chair: On that smiling note, that ends your time, Mr Marchese.

Mr Marchese: We spent half an hour, you and I, already?

Hon Mrs Witmer: We did.

The Vice-Chair: Madam Minister, you have 30 minutes to respond. Of course, you can use it accordingly, or your members can.

Hon Mrs Witmer: I'm going to continue, and I think I'm going to begin with the changes that have been made in special education. This is an area that actually was first brought to public attention by the government back in 1982. We are the first government to have enveloped the funding for special education. Ministry statistics indicate that about 277,000, or about 12.8%, of students in publicly funded elementary and secondary schools receive special education services.

We want to support those children, and for 2003-04, special education funding is projected to increase to almost \$1.65 billion. That is an increase of 41% since 1998-99. So, Mr Marchese, we do have that statistic.

We are also committed to continuous improvement in quality and accountability in special education. We are actually developing program standards that set out clear expectations for the delivery of special education programs and services to help students with special needs succeed. We have received excellent advice from stakeholders. This is certainly one group of people who provide us with excellent input. The first stage of the work has been completed for all 12 exceptionality areas. In May we released a discussion paper. We are consulting on its direction, and in the 2003-04 school year we expect to pilot the new-standards-based approach to special ed in six to 10 school boards.

I'd now like to turn to another group, the aboriginal students. The welfare of the First Nations people of Ontario is important. We are working closely with the federal government and the aboriginal community to assist in providing the tools to create the best possible education for the First Nations students. The new curriculum supports the teaching of native language and culture for grades 1 to 12. The curriculum also offers native study courses for credit in grades 9 to 12. In his report, Dr Rozanski addressed the issue of the educational needs of aboriginal students and made recommendations to the ministry to improve their level of achievement. Our government is responding to his recommendations.

As a key step forward, we plan to build on the success of alternative secondary schools and native friendship centres by increasing the number of alternative schools throughout Ontario. We are committed to ensuring that all students, including those from an aboriginal background, can learn in a supportive environment and have the same opportunities to achieve success.

I'd now like to turn to our schools and the need to make sure they're safe and, obviously, provide stability. All Ontarians need to be confident that the schools provide safe, secure and, equally important, respectful environments in which to learn. In response we've introduced initiatives including the provincial code of conduct, the Safe Schools Act and the Student Protection Act. These ensure that school boards will have the resources and flexibility they need to operate, maintain

and upgrade existing schools and build new ones when they are required.

The grant for school renewal for the current school year is \$266 million. In March, as part of the response to the Rozanski report, we announced \$75 million in new funding to help school boards renovate schools across the province. This includes \$25 million to finance the replacement of at least 34 schools where the cost of repair has been determined to be prohibitive, \$25 million to renovate schools and a further \$25 million, beginning in the 2004-05 school year, to increase school renewal base funding.

Our schools of course are key provincial assets. Boards in this province own and operate more than 4,800 schools, with some 250 million square feet of floor space, and it's very important that we keep them in a state of good repair. You were a school trustee, Mr Marchese, and so was I, and I think we all appreciate that this was an issue that you took a good look at every year and tried to make sure that schools were well maintained. It helps, again, to meet the needs of our students and teachers.

This is really quite important: we have this new assessment program. It was announced in the 2002 provincial budget. We now have qualified building professionals who are inspecting every school in the province, making sure that those most in need of repair are repaired first, or, in the case of those that are prohibitive to repair, are rebuilt. These building professionals are going to complete their assessments in December of this year. However, I'd just like to say that by this September we will have seen, since 1998, the construction of 226 new schools and 291 additions, which means we'll have created more than 200,000 new spaces for students.

1710

What is important about this is the fact that 1,960 portable classrooms, or almost 15%, have been removed from the system. We know it is important for students to have access to new schools and to renew existing facilities, so that's a very important step forward. I think many of us whose children have been in school have had our children in portables. There has always been the desire to move the children into new schools and new space. We're providing flexibility in resources to school boards so they can build new schools and renovate existing ones, so this environment is important.

Our government is also investing \$340 million in 2003-04 to help school boards reach fair and responsible agreements with their teachers and staff. Again, that's part of creating a stable environment. This is in addition to the \$340 million announced in December, at the recommendation of Dr Rozanski. That was actually an increase of 3% to the salary benchmark and an investment of a total of \$680 million.

I'd like to turn now to transportation. We live in a huge province and every day we transport about 800,000 students, or 38% of the students in the province. These children travel a total of 1.9 million kilometres between home and school. There are 10,000 full-sized school buses that carry these children and 9,000 smaller buses,

vans and taxis. Again, we have a responsibility to make sure that these children reach school safely, on time and prepared to learn.

The transportation grant for 2003-04 will reach almost \$652 million, or 3.32% more than in 2002-03. This includes a \$20-million investment made in April, which complemented the \$20-million investment announced in December in response to Dr Rozanski's recommendations. We are also developing a new approach to funding transportation.

I'd like to turn now to the double cohort. We've certainly heard a lot about the challenges and some of the unique needs of the double cohort. I'm pleased to say that our government has been working over the past few years with the leaders of our colleges and universities in order to ensure that those students who want to have access to post-secondary education will have the same opportunity as in the past to do so.

Ontario universities will accept a record-breaking 70,000 first-year students this fall. Working with our partners, we have invested \$2.6 billion to create 135,000 new student spaces on post-secondary campuses to meet the needs of the double cohort. There's a point that's really important because there was some concern about marks. I'd like to tell this group here that the marks submitted to the Ontario Universities' Application Centre demonstrated that Ontario's university-bound high school students are succeeding with the new curriculum. The average marks between those who were taking the OAC courses in the old curriculum and the grade 12 courses in the new curriculum are within 1%. I think that's good news for a lot of parents and their children. Our government has made a commitment to ensure that every willing and qualified student will have a place in a post-secondary institution.

Let's take a look at school-to-work transitions. I think it's important to recognize that a huge number of students choose to go directly into the world of work, and some of these children go into apprenticeships. We need to support those young people in the same way and make sure there are pathways into apprenticeships or pathways directly into whatever workplace they may want to go into.

Having been a secondary school teacher, I have to tell you that the program we have in place today is having a very positive impact. It's making sure that students don't drop out of school. It is helping to encourage them to stay. There's a lot of focus on co-op, hands-on experience. There's an opportunity for all these out-of-classroom career-related experiences, and career planning. Certainly Mr Gerretsen is knowledgeable and familiar with the high school in his community, which has some absolutely outstanding workplace programs in place that are keeping young people in school. It allows them to graduate and go directly into a well-paying job, but it's really helping them to achieve success. So it is really important today that school boards are required to offer co-op education, work experience and school-work transition programs to all interested students.

In fact, there are more than 12,000 high school students today who are enrolled in the Ontario youth apprenticeship program. We have more than 20,000 employers who have expressed interest in helping school boards offer workplace experience to students through our Passport to Prosperity program, another outstanding program for our young people. I'm also pleased to say that in recognition of the need to support these young people, in our recent provincial budget we announced \$90 million in new funding over the next four years to improve vocational and technological education to support these young people and help them achieve success. So we just need to make sure that we're helping children, whether they're going into university, college, apprenticeship or directly into the workplace.

I'm also pleased to say that students are meeting the graduation requirements of completing 40 hours of community involvement activities. In fact, we've heard from some students who tell us that it really is too little; they're getting 80 hours, 100 hours, 200 hours. Again, it is helping them by learning community values, learning about their communities, responsible citizenship and, as well, it allows some young people to explore career opportunities and make some decisions there.

Let's now take a look ahead. On April 30 the throne speech, which of course is a document that always looks forward, was presented to Ontarians, and it renewed our commitment to education. Over the past eight years we have worked to enhance the educational experience of students and worked to provide them with opportunities to achieve success. Certainly the throne speech indicates we're going to continue in that way. We're going to continue to focus on—the vision is pretty simple—helping students achieve success, which means we'll continue to focus on making sure they can read, write and succeed in the area of mathematics. We plan to take innovative new steps such as enhancing our students' educational experience with learning expertise from individuals who are specialists in their fields. We're going to give parents more choice to enrol their children in schools within their board, knowing of course that first-placement priority will continue to be provided for those who live in that geographic area.

I guess I want to conclude my comments by saying one more time that we have a remarkable education system in this province. I think we are extremely blessed. I believe we are the envy of many other provinces and many countries in the world, based on the number of visits we have to this jurisdiction. I think we owe a tremendous debt of gratitude to all those who have been part of the building of this strong educational system. It didn't happen just by chance, it didn't happen overnight, but I think we owe a debt of gratitude certainly to the trustees who have worked diligently and hard over many years. Having been a trustee myself for 10 years, I know the amount of work that's involved and the types of decisions they continue to make on behalf of students.

1720

We have to thank our outstanding and committed teachers and certainly all the people within the education sector, the dedicated staff, and we need to say "thank you" to the parents. One of the things I see that's different from past years is that parents have asked in recent years to be much more involved than ever before. As a result, we have parent councils in our different schools and so a lot of the decision-making today involves a partnership; it involves consultation with the stakeholders who are interested in the system in this province. I think it's up to all of us to continue to build on the strong foundation and continue to move forward in a way that helps our students achieve success. I believe that, based on where we're going, by working together we can build an even brighter future for our students.

I would just add that that completes my comments.

The Vice-Chair: Thank you.

Mr Arnott: Mr Chair, on a point of order: I'm going to use a moment of our time to express a concern I have. I had the privilege of being Vice-Chair of this committee around 1994, 1995. I consider the estimates committee to be one of the most important committees of the Legislature. It's important that members have an opportunity to ask questions of ministers and ministry staff, but surely if the questions are sincere, members would want answers to the questions and not repeatedly and systematically interrupt ministry staff.

I would respectfully request that in future rounds, if a member of the Legislature repeatedly and systematically interrupts ministry staff, you call that member to order. It is the responsibility of the Chair of this committee to maintain order and decorum in this committee. I would respectfully request that you exercise your authority as Chair to do that, if indeed another member of the committee repeatedly and systematically interrupts ministry staff while they're trying to give answers to those questions.

Mr Kennedy: On the same point of order, Mr Chair.

Mr Mazzilli: This is our time.

Mr Kennedy: It's the same point of order. It's been raised as a point of order. It goes to the process. I would just ask, Mr Chair, that this estimates continue to be a forum that takes seriously its obligation to get answers—

Mr Mazzilli: That's not a point of order.

Mr Kennedy: —and that if in fact—because we're talking about the process that will be followed—any of the respondents don't address the question, the Chair should then intervene to obtain the answer and therefore negate the need for any interruption and so forth and make sure we have productive hearings. I take from the intervention of the member opposite that he wants to have us do our business here, not simply waste time but, rather, get the public interest answers we need. I submit that to the Chair as my input for the guidance that was offered from the other side.

Mr Marchese: Given that he made a point of order, which you haven't ruled on one way or the other and allowed some comment, then it's useful to remark on it.

The remarks the member makes would not allow a member to say to staff or even the minister, "You're simply not answering the question; you're just taking too long and not answering the question." You've got to allow the member the freedom to really say yes or no or, "That doesn't answer my question." You can't not allow the member whose time it is to be able to get to the questions he or she needs to ask, because, if the minister decides not to answer it, but decides to take five or 10 minutes in not answering, let's say, that would be equally wrong, you will admit.

Mr Arnott: That's not what happened this afternoon.

Mr Marchese: It never happens.

Mr Mazzilli: On the same point of order, Mr Chair.

Mr Marchese: The point to that point of order he was making is that members must be entitled to the answers they're looking for as quickly as they can.

The Vice-Chair: On the same point of order?

Mr Mazzilli: Certainly to support Mr Marchese and his comments because I think it is very important to ask questions, but as the Chair knows, sometimes people don't like the answers they get, and that seems to be the problem. As Chair, you're going to have to decide whether the question was answered and the member just did not like the answer. I will leave that with you, Mr Chair.

The Vice-Chair: Is this on the same point of order?

Mr John O'Toole (Durham): No, I was just going to ask a question.

The Vice-Chair: I don't want to get another one. I just want to stay on this point of order. Let me say too that I have chaired this estimates committee and also acted as Vice-Chair. I listened very carefully to the interchange last time. I think all the questions and answers were appropriate. In the sense that sometimes those who are asking the questions are not satisfied, it seems that's all part of the game itself.

Mr Mazzilli: It's not a game.

The Vice-Chair: May I finish? Did I interrupt you, Mr Mazzilli?

The fact is, that interchange went on, and I think all that was appropriate today. I did not see any violation of any order here today. But I understand exactly what you're saying, Mr Arnott, and in the future I will be looking out for any abuse of that kind of process itself. I've also watched, and questions which were never tabled are being read for an extensive time, and I entertained that. The fact is, I didn't see anything out of order, and I wouldn't regard this as a point of order.

We have eight minutes remaining in the time here. Do you want to proceed?

Mr O'Toole: That's a very short period of time to—

Interjection: He was generous.

Mr O'Toole: Minister, I listened to and appreciated your comments today. The part where you were speaking about students at risk attracted me, and you said it was near and dear to your heart. I genuinely accept that, your being a former teacher and trustee. Just to lead into this whole thing of students at risk, I think back to my time as

a trustee in the 1980s. I did chair SEAC, the special-ed advisory committee, and I have a sister who is a speech-and-language pathologist. I've always felt, as you have, that it's those children who most need our attention and support. I hearken back, because it was Bill 82 in 1980 or 1981 that initiated, under a Conservative government I might add, integration and special education to be specifically funded. I think if I were to retrace my steps, it's probably the reason I'm here.

Quite honestly, each of us believes that education is probably the most important gift we can give to children and young people. My wife's a teacher, and one of my children is currently teaching in England, but she's a qualified high school teacher here. I commend the ministry for trying to move ahead in a context where some of the programs you've outlined today, the children-at-risk part, are extremely important, and I thank you. I firmly believe, despite all the politics and rhetoric, that you genuinely are committed to excellence in education. I think all the resources and time that you bring to it are extremely important, and I compliment you and the ministry for that.

I can honestly say, having chaired three school board budgets as well as chairing special ed, I know there are more resources, and not just under the special ed kind of name, but in other areas. I find this booklet rather useful. You might carry it around with you as a quick index, Mr Marchese. In this case here, it does talk about \$1.6 billion for kids with special needs. It's all there. It's a public document. I think the ministry's done a great job in terms of communicating—

Mr Marchese: You can put it in your pocket.

Mr O'Toole: I do. In fact, we carry it around with us. It's sort of like the Bible. Well, it's a smaller version, of course, but it's according to St John.

I really do commend you, Minister. Perhaps you could share with us, in the couple of minutes that I've left you, where this goal—our goal—leads to special education. I'm going to make it an even more difficult question: how much more is to be done in special ed? I've heard lots of comments recently on the whole issue of assessment. That's a very controversial area, this assessment business. Dr Bette Stephenson's report comments specifically on the whole assessment process. How much money is potentially being wasted in some of the assessments that aren't particularly well-focused? In the time left—we've increased funding by 41%—how do we continue to improve access for children with special needs?

Hon Mrs Witmer: I don't know if we're going to have ample time to complete the question.

1730

Mr O'Toole: I'll continue tomorrow.

Hon Mrs Witmer: First of all, you're right. The government is now funding special education at an all-time record level. Let's begin with the fact that special education funding is projected to increase to about \$1.65 billion this year. That is the increase of 41% that we've talked about since 1998-99. What we did immediately after Dr Rozanski gave us recommendations was that we

permanently increased special education funding by \$250 million on an annual basis, and in December 2002, the ministry allocated additional funding of \$130 million, based on the interim results of the ISA review, which is a review of children with very high needs.

I'm pleased to say that, based on the final results of the ISA review, boards are now receiving a further \$71.5 million for the 2002-03 school year. This reflects the full-year funding for all eligible ISA claims for students enrolled in the current school year. When new files are submitted next year, the ministry projects that ISA funding will increase by another \$50 million, for a total of \$250 million in 2003-04.

You might ask, what does this money do? This money does what it needs to do, and that is more money to hire special education teachers, education assistants and other specialists who can help these children in our classrooms who have special needs.

Interjection.

The Vice-Chair: You've got a minute.

Mr O'Toole: Again, I'm just making some reference to continuing this. I'd encourage members of the committee to have a look at Dr Stephenson's report and your commitment and follow-through on it, not just to the Rozanski report. I think what's most important, if I really look in some context of the longer view of educational change or reform, the Royal Commission on Learning, for me, probably represents a benchmark of the need for reform. I actually commend the NDP for commissioning the Royal Commission on Learning. It was difficult. That's why you had a royal commission: the system was in some paralysis. I think there are other agents of change, and I think your government started it. Education Minister David Cooke started the Ontario College of Education, the curriculum reform, most of it. Actually, it started under him. I can show you the documents. So it isn't political—and Mr Kennedy missed most of this because he wasn't here, and I still don't think he is. But, the thing is—

Mr Gerretsen: Excuse me. That's unparliamentary.

Mr O'Toole: No, quite honestly, I don't mean it that way. He is here now. I really feel that we're following up on most of those reports, the Royal Commission on Learning—

Interjections.

Mr O'Toole: Well, Mr Kennedy was actually running a bank at the time when this was discussed.

The Vice-Chair: Thank you, Mr O'Toole. Order. We have now reached the 20-minute rotational time. The official opposition has 20 minutes.

Mr Kennedy: I'm glad Mr O'Toole is amusing at least himself with that.

I'd like to follow up on one of Mr Marchese's questions, Minister. I also have a child in the school that was in question today from time to time. My daughter is at the daycare at Hawthorne and Essex.

I want to ask you about the information Mr Marchese talked about. There is, under your decisions, no other elected official, not one in the province, that can secure

the information that parents of that school are seeking about the impact of cutbacks on the ability of their principal to provide safety for their children. So I'm asking you, as the person who made the decision to impose a supervisor to take over the board and to run the board, to provide information to those parents and that school community that would allow them to assess objectively whether or not the kind of safety and security they have a right to expect from their school system is being provided to the same extent as in the past. I'm asking you whether you're willing to ensure that the Toronto board, which has that information—comparative information, as Mr Marchese indicated, about caretakers, about adults on the premises, about vice principals; that school was consolidated, 700 kids, and so forth. But rather than speculate, it must be information that your board, the board that you're running right now through your supervisor, could readily provide to these parents. You're the only elected official they can turn to to get those answers, and I'm asking if you'll make those available through this committee.

Hon Mrs Witmer: I don't know if you are aware of this—perhaps you are—but I can certainly tell you, having been a trustee, a chair of a board and a teacher, that it is the responsibility of school boards throughout the province to ensure that there is a safe environment for their students.

We have been given the assurance by those in charge at the Toronto District School Board that they are taking steps to ensure that safety is not compromised. I know they take that responsibility seriously, just as every school board in this province takes that responsibility very, very seriously.

Mr Kennedy: With all respect, Minister, there is no school board. You stripped the elected officials of their ability to access information and to provide both assurance and meaningful information to people—parents, members of the community—who would like to be able to determine what kind of situation has arisen for their children.

I think you would agree, and in fact I think there were comments of the government to this effect, that the first useful step is to let people know what is and is not happening. You're their only political conduit. You're the only elected official who can stand accountable for what is being done in the Toronto board.

You're asking us to have faith in those unelected officials, and no one is suggesting at this moment that we should not. But I think the people who have children in that school are within their rights to ask you to provide the information about the standards of adult supervision and so forth available in that school, because there's nowhere else for them to turn. I know it's unusual in that respect, but there is nowhere else they can go.

I don't want to take up too much more of your time, but we just wonder if the information about the adult supervision, the caretakers, the secretaries and so on in that particular school setting, which has certainly been

upset and made anxious by incidents that happened on the premises, is something you're willing to provide.

Hon Mrs Witmer: I think you probably understand that despite the fact that there is a supervisor within the Toronto board, I believe that trustees do continue to play a role with the board.

Certainly today or recently, there are streetproofing tips that have gone home with students. I can tell you that the Toronto police are working very diligently with the Safe Schools administration team at the board of education. There have been notices going home to parents, which are being shared with superintendents, principals and teachers.

I have been assured by the supervisor that all steps are being taken to ensure the safety of the children in the care of the Toronto school board. I think we need to appreciate that a lot of people are working very, very hard and are doing everything they possibly can to give assurance.

Mr Kennedy: Minister, again, I'll leave that with you, because I take from that that you're not willing to provide the more specific information the parents are looking for. That's really the effort they would appreciate from you, because they have tried but cannot get that information through their trustee. But I'd like to leave that, because I've asked you three times.

I want to know if you're bothered by the fact that apparently there is no communications plan for the approximately \$4 million that you spent and that you authorized. Presumably, you authorized this money. You said, "It's important for us this year to spend money on advertising. We need to be doing this." I wonder, does it bother you that there isn't a communications plan that we can look at here today to explain the \$3.7 million in advertising? Does that trouble you?

Hon Mrs Witmer: I'm going to ask the deputy to—

Mr Kennedy: Minister, having had the opportunity to speak to the deputy, I just want to clarify my question. I'm asking for your opinion as the minister. The deputy has some very specific responsibilities here. Some of that is in question, I want to admit, and I'm hoping there may be some further information provided. But I'm asking you—you're here; you're the person we see as being responsible for those \$4 million—does it bother you that there isn't a cost-benefit analysis or a communications plan, as your government policy requires there should be? Is that troubling to you, you as the minister?

1740

Hon Mrs Witmer: I think it's really important that the public has the opportunity to be well-informed about the educational programs that are in place in the province of Ontario. There have been some very significant improvements made in recent years, building on the strong foundation, and part of that of course involves letting parents and taxpayers know about the changes that have been made in supporting students with special needs. That's one of the areas where we continue to get a lot of inquiries from parents about what is available. Unfortunately, there are still some parents today who are

not aware of the tremendous opportunities within our schools in order that students can get the special assistance they need. So we do believe it's important that we continue to make that information available to the public in order that we can help our students achieve success.

Mr Kennedy: Minister, you may be aware that there were dozens of parents all around the province who wrote—and I have copies of e-mail here—to the Advertising Standards Canada about the special education ad, because they still don't have any funding for their particular children.

Franceska Gnarowski said that she thought it was a travesty, given the litany of neglect that we hear about from parents of children with special needs and the general sorry state of our education systems, that there should be that money spent on advertising.

We have James Ireland at the Robert Bateman school who says that his principal does not replace special education and English-as-a-second-language teachers as a means of saving money and that this happens in many schools that he's familiar with. So he says he has not seen one difference since the beginning of the school year, even though the ads proclaim that.

Another comes from a parent, Lies Weijs, who says, "The most recent TV ads are especially abhorrent to me ... I would like to know the budgets for those ads"—indeed, we would like to have questions like that answered—"I would like to know how many special-needs students could be supported in the public system...."

Now that we know it's \$4 million, I wonder if you, as the political person responsible, could help tell some of these parents why it's more important to have \$4 million worth of advertising instead of approximately 160 education assistants so that a number of these parents, like Joanne Dies and Steven Katz, could get the assistance they need in their schools for their children.

Minister, I'd like to know, can you justify spending \$4 million on that instead of on the children whose parents, whom you say you had in mind when you took these ads out, would rather have the money spent on?

Hon Mrs Witmer: I'd just like to go back to the point that there are many people in Ontario who are looking for information from government about new programs and services that they can access either for themselves or for their children. In fact, a survey was undertaken by the Canadian information office of the federal government, and it found that a mere 14% indicated they receive enough information from their government. It also indicated that many people are unfamiliar with government initiatives; that deals with governments of all levels. I think it's important that we remember that governments have an obligation to communicate and share information with their taxpayers.

Mr Kennedy: But I asked you for a very specific response. These ads are political in nature. They speak in generalities. None of your ministry staff so far can give us one piece of paper to show what objective they serve.

In one instance they talk about—and I'd like you to comment on any of these that you think help that laudable objective you just talked about—telling people about standard report cards, seven years after they've started. A special education ad that turns out to be in error, inaccurate, misleading, because the content isn't correct: how is that helping these parents who need more resources for their kids, and then testing that talks about a four-year-old test score?

Can you justify, because none of your staff has so far justified, that this \$4 million should be spent on those specific objectives? Can you specifically give us your reasoning? You approved this money. You said it was more important than education assistants, more important than other things, so you must believe in these very specific ads. I'm wondering if I could get you to respond specifically to the ads that cost \$3.7 million. Can you tell us why they were very, very important to communicate at this great expense and trouble?

Hon Mrs Witmer: First of all, Mr Chair, I take exception to words that Mr Kennedy is supposedly attributing to myself. I don't think I've ever said any of those words. I think he needs to be very careful in how he attempts to represent what I may be saying, or what my staff have been saying. We're trying to present information, and certainly I think it's important that facts, information and words attributed to us be factual and correct. We just want to make sure that the public is aware of the changes that have been undertaken.

If you take a look at student marking, parents need to be assured that the standards will ensure that the work of students throughout the province is marked fairly and consistently, so that an A in Toronto is an A in Thunder Bay. That is the objective of the advertising. It's important to let parents and taxpayers know how achievement has improved. Obviously, we now have a record of achievement. They also need to know of some of the changes that have been made in special education, especially with the increase in the funding.

If you take a look at student testing, we believe that the provincial testing program is providing valuable information for schools and the government. That is allowing people to work together to further improve student achievement.

Mr Kennedy: Minister, I'm sorry that you couldn't answer the very specific question of how the \$4 million would be justified but I guess, in general, I will take your answer that you do believe the \$4 million is worthwhile for the reasons you've just stated.

I'm wondering, since you wouldn't comment on your ministry not having followed the process, if that's not worthy of your comment to this committee. You spent \$4 million. We don't have the communications plan or the cost-benefit analysis. I've asked you a number of times, and you've declined to comment on that. I'd like to ask you or the deputy about the partisan nature of some of this advertising. Those guidelines—and this is the run-up to an election period. You're spending so far, by your own admission, \$1 million more than last year. Last year

at this time, you said you'd spent \$2.7 million, and now you've spent \$3.7 million. You're buying ads that are general in nature, but I'd just like to ask whether the due diligence happened to ensure that these were non-partisan ads.

Deputy, I wonder if I could ask you to relate these particular comments. You have two pages for the Premier who talks in the first person, gives his opinions about the education program, and then you have one page for the minister—both of those politicians with their photographs—answering general questions like, "How do I know your plan for education is working?" and citing selected test results. There are other test results that show that it's not working. How could this possibly meet the guidelines? It says, "Is education being properly funded?" The Premier answers in the affirmative, yet there's an argument in Dr Rozanski's report that we'll get into in these hearings about whether or not that's true. But you let a political claim get made in this advertising.

I wonder how you justify allowing the Conservative Party to use the budget of your ministry. You have an obligation, specifically in here, not to let it be partisan political. At least three out of the 10 pages here are inarguably partisan in nature, first-person opinions from the Premier and the Minister of Education. I'd like to know what scrutiny—do you have outside opinions, perhaps, which would say that these pass these guidelines? Is there someone you would run this by to make sure that your ministry budget isn't being abused in this fashion? Do you have something that you can share with us to let us understand how these partisan comments could be approved by you, the deputy, working for all the people of Ontario?

Hon Mrs Witmer: Obviously, if you choose to use words like "partisan," that's your opinion. What we have done is communicate with the public in the province to let them understand the changes that have been made to the educational system, to give them the opportunity to communicate with us and receive additional information. If you turn to the booklet, they have an opportunity to see the plan for education. They have an opportunity to receive the parent guide as to helping your child learn to read and learn math.

Mr Kennedy: Minister, if you're going to shield your deputy and instruct her not to answer this question, that's fine, but I will move on, then, because the question was for the deputy, and obviously she needs your permission to answer. I'm not asking her to go around that. But there are guidelines. It says, for example—

Hon Mrs Witmer: Mr Chair, I take exception to that.

Mr Kennedy: Minister, then please let the deputy answer.

Hon Mrs Witmer: My deputy is quite capable of responding, and she's quite prepared—

Interjection: She was asked the question.

Mr Kennedy: I asked the question, Minister. You're just—

Interjection.

The Vice-Chair: Could we cut that noise over on that side—

Mr Kennedy: I'm happy to have the answer, Minister. Deputy?

Mr Mazzilli: No, you don't get to pick who. You can ask the minister.

Hon Mrs Witmer: I hope we can treat one another with respect in here.

Mr Kennedy: Minister, respect starts when you answer the questions I put on behalf of people. We have only a short amount of time. You intervened. I asked the deputy a question from your own guidelines. These are your guidelines that speak to partisan political. Will the deputy answer, or do I move on? Apparently not. Yes? Deputy?

Ms Herbert: Mr Kennedy, I would answer that, as Mike has already talked to you about, we have a rigorous approval process and my belief is we're following the directives.

Mr Kennedy: Deputy, do you have any outside opinion or any other evaluation—is it your considered opinion that this is not partisan political, that all of the advertising we've spoken about today has no partisan political content?

Ms Herbert: Mr Kennedy, I believe that's an inappropriate question.

Mr Kennedy: No, but—with respect, Mr Chair.

The Vice-Chair: I'm going to make a very important decision here now. I've got two more minutes of your time, Mr Kennedy.

Mr Mazzilli: On a point of order—

The Vice-Chair: Maybe I'll take your point of order tomorrow, because the fact is I've got a bell ringing. There are two more minutes, and I'm going to adjourn this sitting now until tomorrow.

The committee adjourned at 1752.

CONTENTS

Tuesday 10 June 2003

Ministry of Education.....	E-49
-----------------------------------	-------------

Hon Elizabeth Witmer, Minister of Education
Ms Suzanne Herbert, deputy minister
Mr Michael Kurts, executive director, communications
Ms Donna Marafioti, chief administrative officer
Ms Marie-Lison Fougere, director, policy and program branch

STANDING COMMITTEE ON ESTIMATES

Chair / Président

Mr Gerard Kennedy (Parkdale-High Park L)

Vice-Chair / Vice-Président

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gilles Bisson (Timmins-James Bay / Timmins-Baie James ND)

Mr Ted Chudleigh (Halton PC)

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gerard Kennedy (Parkdale-High Park L)

Mr Frank Mazzilli (London-Fanshawe PC)

Mr Norm Miller (Parry Sound-Muskoka PC)

Mr John O'Toole (Durham PC)

Mr Steve Peters (Elgin-Middlesex-London L)

Substitutions / Membres remplaçants

Mr Ted Arnott (Waterloo-Wellington PC)

Mr John Gerretsen (Kingston and the Islands / Kingston et les Îles L)

Also taking part / Autres participants et participantes

Mr Rosario Marchese (Trinity-Spadina ND)

Clerk / Greffier

Mr Trevor Day

Staff / Personnel

Ms Anne Marzalik, research officer,
Research and Information Services



E-6

E-6

ISSN 1181-6465

Legislative Assembly of Ontario

Fourth Session, 37th Parliament

Assemblée législative de l'Ontario

Quatrième session, 37^e législature

Official Report of Debates (Hansard)

Wednesday 11 June 2003

Journal des débats (Hansard)

Mercredi 11 juin 2003

Standing committee on
estimates

Ministry of Education

Comité permanent des
budgets des dépenses

Ministère de l'Éducation



Chair: Gerard Kennedy
Clerk: Trevor Day

Président : Gerard Kennedy
Greffier : Trevor Day

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Copies of Hansard

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Exemplaires du Journal

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.

Hansard Reporting and Interpretation Services
3330 Whitney Block, 99 Wellesley St W
Toronto ON M7A 1A2

Telephone 416-325-7400; fax 416-325-7430

Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
3330 Édifice Whitney ; 99, rue Wellesley ouest
Toronto ON M7A 1A2

Téléphone, 416-325-7400 ; télécopieur, 416-325-7430

Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 11 June 2003

Mercredi 11 juin 2003

The committee met at 1528 in room 151.

MINISTRY OF EDUCATION

The Vice-Chair (Mr Alvin Curling): I call the estimates committee to order. When we adjourned yesterday, we had a few minutes left on the clock. Mr Gerretsen, would you want to proceed with those two minutes? I don't know if the minister is ready.

Hon Elizabeth Witmer (Deputy Premier, Minister of Education): I'm ready.

The Vice-Chair: She's always ready. It's good to see you, Deputy. I didn't say hello the last time. She's one of my favourite deputies.

Hon Mrs Witmer: Mine too.

The Vice-Chair: Mr Gerretsen?

Mr John Gerretsen (Kingston and the Islands): I have a question for the minister, and this arises out of the questions that were asked by Mr Kennedy in such an able fashion yesterday afternoon. You may recall that he referred to a Management Board directive, and that directive specifically states—I don't have it in front of me, but from the best of my recollection—that for advertising to be done by the ministry, opinion is not to be used; in other words, it is just to be factual information.

The message that you and the Premier sent in that 24-cents-per-copy brochure, in which, for example, the Premier is asked the question, "Are we spending enough money on education?" and his answer was yes, and then he goes on to say a whole bunch of other things—do you regard that as a factual question or do you not agree with me that that is an opinion question? He's giving his opinion. If he were asked, "How much money are you spending on education?" and gave the amount, then that is a fact. But if he's asked, "Are we spending enough on education?" and he answers yes, that is his opinion, and he's entitled to his opinion. But do you not think that that is wrong, particularly when that is directly against the Management Board directive, which in effect is the overseer of the way in which advertising is handled by your ministry?

Hon Mrs Witmer: Thank you very much, Mr Gerretsen, for the question. I think the piece you're referring to is the householder that was sent out to inform people in the province of Ontario about the plan for education. I can tell you that, as a result of that going out, 12,000 people actually sent in requests for more information.

Mr Gerretsen: Answer my question, Minister. I don't want to be accused of cutting you off, but answer the question. I've only got two minutes left.

The Vice-Chair: You're going to burn the time that way too, anyhow.

Mr Gerretsen: For the Premier to say yes to the question, "Are you spending enough money on education?" is an opinion, would you not agree with me, rather than a fact?

Hon Mrs Witmer: First of all, the question is not as you state it to be. I would direct you to the pamphlet, because that's not the question.

Mr Gerretsen: Well, what is the question?

The Vice-Chair: Your time is up, Mr Gerretsen. May I, then, move the next 20 minutes to the third party?

Mr Rosario Marchese (Trinity-Spadina): You did your best. That was very good.

Mr Gerretsen: It wasn't good enough because I didn't produce the information.

Mr Marchese: Minister, yesterday we were talking about safe schools. I don't want to spend too much more time on it, except I happened to get a report called the Franklin Report. I'm not sure whether you've seen that.

Hon Mrs Witmer: I'm not familiar with it.

Mr Marchese: I'm not sure whether the deputy has seen this report. I think it was just released today. The Franklin Report—did you see it?

Ms Suzanne Herbert: I'm sorry, I was just dealing with a consult.

Mr Marchese: I was just beginning to ask my questions. I was returning to the issue of—

Hon Mrs Witmer: Who is the author of the Franklin Report?

Mr Marchese: They're actually OAC students, Ontario academic course law students.

Hon Mrs Witmer: In Toronto?

Mr Marchese: In Toronto. I'll get you a copy. You don't have to worry too much. I'll read—

Hon Mrs Witmer: We're not familiar with it.

Mr Marchese: OK. I bring this to your attention not so much because it relates to the school safety issues I was talking about, but rather because you raised the issue of the Safe Schools Act, and because it's so pertinent, I thought I would raise some of the points that they have raised in this report.

They say, "The ministry requires schools to inform students and the community about the code and how it

will affect them. However, only one of the schools interviewed had made an attempt to continually inform its students of the code that now applies to them. The other schools instead suggested they were understaffed and did not have adequate resources to implement the act as they wished. The lack of resources prevents schools from taking full advantage of opportunities to establish appropriate localized policies. Schools are forced to rely only on the provisions of the code of conduct, which alone may not sufficiently address individual school dynamics. That aside, there was a clear consensus about the act's success; all of the schools felt the SSA, even with its faults, was sufficiently promoting a safer environment."

They talk about, generally, "The lack of resources prevents schools from taking full advantage of opportunities to establish appropriate localized policies." Do you or the deputy have a comment on that?

Hon Mrs Witmer: Do you know what? I do. I have a question, actually, because we're not familiar with the report. I think you indicated some OAC students had put the report together.

Mr Marchese: Yes.

Hon Mrs Witmer: Just a couple of questions. One, when was the report done; when were the questions asked? Secondly, how was the information gathered?

Mr Marchese: In fact, what I will do is give you a copy of this.

Hon Mrs Witmer: Do you have a date?

Mr Marchese: I'll ask my assistant to give you a copy of this report and then I'll return to these questions another time. Otherwise, I'll ask you questions, you'll ask me questions and—you know.

Hon Mrs Witmer: Well, I guess we have to put it in some context.

Mr Marchese: No, no, I hear you. I want you to have the opportunity to see it, of course. What's the point of me asking a question and for both of you to say, "We haven't seen it. What's the sample size? How many schools?" We're not getting anywhere with that, right?

Hon Mrs Witmer: Right.

Mr Marchese: OK. I was going to talk about the alternatives they proposed to what you proposed in the act, which I agree with, but again, we won't discuss that until you see it. I'll come back another day. We've got two more days of this.

Hon Mrs Witmer: That's fine, Mr Marchese.

Mr Marchese: Let me get to an issue of interest to me, and that is, students at risk. You said it's dear to your heart. Mr O'Toole mentioned that yesterday as well, that it's dear to your heart, and his, I'm assuming, and mine and so many other people's.

Mr Frank Mazzilli (London-Fanshawe): He doesn't have a heart.

Mr Marchese: I'm sure he's got a heart, Frank. I'm convinced of it.

Students at risk are of concern to many people, because unless we deal with issues of how we treat students at risk, we're never going to solve the issues of edu-

cational disparity or educational outcomes of different individuals or social class differences, and we've got to get to the bottom of that.

One of the things that concerns me in terms of students at risk is that at the Toronto Board of Education, the supervisor eliminated what are called youth counsellors. Youth counsellors of course have made many deputations here, and students who actually are helped by youth counsellors demonstrated at the Toronto board on numerous occasions. I went to the Toronto board many times and participated in those discussions and demonstrations and agreed with those students that youth counsellors are an incredible, integral staffing part of dealing with kids who are in trouble. So many of these young people youth counsellors deal with are at risk. They might have had problems with the law, they might have had problems with issues of sexuality or issues of sexual abuse or substance abuse. These are kids who, with the help of youth counsellors, have managed to stay in the educational system, and they were pleading with the board, with your supervisor, not to fire these youth counsellors. What do you think of that?

Hon Mrs Witmer: I appreciate your concern for the students who are at risk, Mr Marchese. I recently had the opportunity to speak to some of the professionals involved in this work: the attendance counsellors and the social workers—they had their conference in Hamilton—and I mentioned to them how they are oftentimes the unsung heroes. I would certainly agree that some of these people do manage to do a tremendous amount of good in helping support these young people and helping them to get on a pathway to success.

I can speak particularly to the situation you're referring to. If I take a look at what happened in Toronto, according to the information we've received from the board, the supervisor was attempting to eliminate duplication. I guess there is some duplication—and you would probably know this better than I—among the work done by youth counsellors, attendance counsellors and social workers and, depending where you live in the city of Toronto, in some cases there are different people who are employed to do the work. So I understand that the responsibilities of the youth counsellors were transferred to the board's social workers, who were considered to be highly qualified staff. As a result, they felt the needs of the students could be addressed.

As you know, youth counsellors I think were a position unique to Toronto. In many other boards, the same job is provided by social workers. So in essence, I was informed that the responsibilities of the youth counsellors would be transferred to the board's social workers, who I think you and I would agree are certainly very qualified and dedicated people. So it was a case of trying to eliminate some of the duplication.

Mr Marchese: In saying that, you obviously agree with the decision the supervisor has made.

1540

Hon Mrs Witmer: I agree with providing the best resources we possibly can for students at risk. I don't

think the title is the most important; it's making sure you've got a highly qualified individual who can help the students. As I say, in this instance, the information I've received is that the work was transferred to board social workers, who I understand are highly qualified and highly regarded staff.

Mr Marchese: Sure. I have no doubt that social workers are qualified.

Are you familiar—you or the deputy—with how many attendance counsellors or youth counsellors have been lost or how many fewer social workers we have today than we did in the past at the Toronto board, or generally anywhere else but particularly here at the Toronto board? Do you have any—

Hon Mrs Witmer: I don't have that information, Mr Marchese.

Mr Marchese: In saying they have transferred these duties to social workers, the supervisor who has fed you that information makes it appear like we have plenty of social workers in the Toronto board; not to worry. They are as qualified as youth counsellors and therefore the fact that we got rid of people whom he might have qualified as redundant is not an issue because we are dealing with students at risk.

Hon Mrs Witmer: The one thing I can tell you—and as I say, I don't have the numbers you're referring to—if we take a look at the funding that's provided to all boards this year, 2003-04, boards have approximately \$575 million in flexible funding that they can use for local priorities, and it certainly could be for professionals and paraprofessionals such as you have just indicated you believe are necessary.

Mr Marchese: The problem with that answer is that we have seen fewer of everything imaginable. Yesterday I mentioned to you we see fewer caretakers in the school system—based on the surveys that you reject from the Toronto Parent Network and People for Education—fewer education assistants, fewer vice-principals, and fewer principals for that matter. They are now contemplating getting rid of 300 caretakers. They will be working at night, some of them on contract. Education assistants for regular kindergarten are likely to be reduced by half, from 772 to 350. We have fewer guidance teachers, fewer librarians, fewer lunchroom supervisors, fewer anything. So when you give me the answer that they've got flexible bucks, it makes it appear like they've been doing a good job of being able to retain these people. The problem is that they don't have any money, because you control the bucks centrally and boards only spend what you give them. The deputy is trying to show you figures for this and this; the problem is, we've seen a reduction in almost every area you can imagine. So the real problem is, there are fewer people in the system.

My point about this is that there are also fewer social workers. So even if we make the assumption that social workers can do the job of youth counsellors, my point is there are fewer social workers than before, as one point, and I'll get back to another point as soon as you try to answer that.

Hon Mrs Witmer: I just want to remind you that I think some of what you have been referring to is—and I put it in quotes—a “speculation budget,” where some trustees have talked about what may or may not happen as far as the budget for this year, and I think we have to be really careful.

I think we have to keep in mind that the Toronto board did receive more money last year, they are receiving more money this year, and I think at the end of the day they are going to be receiving a total of \$2.1 billion. So certainly there are additional resources that are flowing to the board in order that they can help students.

Mr Marchese: OK. Well, I'm going to try to get to that issue on the next round in terms of funding-related stuff. I'm not going to try to tackle it now because I want to deal with issues of students at risk.

My point is that the youth workers are a unique type of person, men and women, whose relationship to these young people is very special. This is not to say social workers are not special or that they're not qualified. If youth counsellors were doing the job of holding on to students so that they are staying in school and are therefore being given the opportunity to reach greater educational attainment for themselves—and if they stay in school, it means they're not out of school. If they're not out of school—because they are students who are at risk, could potentially become a problem to themselves and society, to the police, to their families, to the justice system and to your taxpayers. Would that not be something that you would be worried about?

Hon Mrs Witmer: Now, do you have some data demonstrating that youth counsellors are more effective than social workers?

Mr Marchese: Are you concerned in such data?

Hon Mrs Witmer: No, I'd like to see the data.

Mr Marchese: You're asking me for data. But I'm concerned about this, and I'm saying youth counsellors, according to what students said to me—and we've seen hundreds of students dealing with youth counsellors. That, for me, is a great deal of evidence that shows the effectiveness of these people. I'm assuming that if you're concerned, you might have asked Mr Christie, the supervisor, to have done some studies, because you said to us that students at risk are dear to your heart—and they are to mine. So would you be concerned to ask Mr Christie that he would do some studies to show the difference in the way youth counsellors relate, and therefore the importance of holding on to them, versus saying, “Oh, this is duplication. We're going to pass them on to fewer social workers”?

Hon Mrs Witmer: Based on the information I've received, there certainly was concern about helping these students, who are at risk for many reasons. I think what they attempted to do—and obviously it was based on the advice of staff—a decision was made to take a look at who they felt was most appropriate to respond to the needs of these students, and a decision was made that those responsibilities would be assumed by social workers. I know when I went to the conference a couple of

weeks ago, different boards use different professional or paraprofessionals to respond to the needs of these students. I think what's important at the end of the day is that there are people there who are prepared to do everything they possibly can.

Mr Marchese: Sure. I appreciate that. I have no doubt that those fewer social workers that work at the Toronto board will do their best. My belief is that those youth counsellors are specially trained. They have a personality that makes them able to relate to students in ways social workers may not.

I am saddened by what Mr Christie has done. I believe that if you have this and if students at risk are at the core of your heart too, you would worry about it; I'm saying you should. I worry about it, because the social implications are going to be terrible down the line.

The same supervisor has now gotten rid of senior kindergarten. There were nine full-time senior kindergarten programs. He has gotten rid of them. Do you, you or your deputy, when we talk about students at risk, do you worry about that? Either one of you can comment on this issue of students at risk.

Hon Mrs Witmer: We're looking to see what the number is for the senior kindergartens, Mr Marchese.

The Vice-Chair: You have two minutes, Mr Marchese.

Mr Marchese: Two minutes.

The Vice-Chair: Time flies when you're having fun.

Mr Marchese: Something is wrong with time. You've got to get hold of it. You've got to help me suspend it from time to time. We're having a little chat. We only got to two points.

Hon Mrs Witmer: You know what? Because of my own experience with attendance counsellors—that's what I'm familiar with—could the youth counsellor job have been assumed by the attendance counsellor?

Mr Marchese: No. I think they're different people. I believe they're different people.

Hon Mrs Witmer: So you feel the role was different?

Mr Marchese: It's very special and very particular. We talked to a lot of students, a lot of students who were there at many demonstrations, talking about how youth counsellors in particular saved their lives and kept them in school.

But on the issue of senior kindergarten, the deputy will find it in the next round, I'm assuming. My point is that it's a disaster.

I leave you with this thought before we terminate this period. I leave you with this thought for the next round. I'm profoundly disappointed that the supervisors are still there. If we implemented Rozanski, one recommendation says that if every board had access to 5% of the foundation grant—and I'm expecting you're committed to Rozanski, as you often say—they would have enough flexibility, the Toronto board, to be able to deal with their own particular issues. If that is so, why is the supervisor still there? You won't have time to answer, but we'll come back to it. Please reflect on it.

1550

Hon Mrs Witmer: Thank you, Mr Marchese.

The Vice-Chair: Mr O'Toole, you've got 20 minutes, and I understand Mr Mazzilli wanted to share some time.

Mr John O'Toole (Durham): It is interesting when we have, as Mr Marchese says, a chat and keep the tone at that level while we're all probing a subject that is near and dear to every one of us, regardless of our party affiliation.

No one has the perfect answer to this. I know as a parent of five children I'm keenly interested and remain so; I hope all of us are, for the right reasons. There have been a lot of hostilities, if you will, in the education world, probably for about 20 years, that I'm aware of. It really started when Sean Conway was the minister.

The Vice-Chair: A good minister.

Mr O'Toole: He was a good minister. I met him. He was a very young guy. He's much younger than I am. I was chair of the board when they opened a new school in my area, and Sean came up. This young guy jumped out of the car, and I thought, "Gee, he can't be the minister." Yet look how good Elizabeth looks. So it's true that most Ministers of Education are nice people to be around. It's just setting a bit of a tone.

I am still going to pursue, Minister, with your indulgence, the special education part of it in a more specific sense. Mr Marchese was pursuing some of that. I can only say that I've seen profound changes in that one area. I know that with ADHD and all of the children with special needs—which are now more than ever being intensely defined, diagnosed and treated. I know the issues with autistic children, which we're all dealing with in our ridings, and the solutions, or at least the temporary proposed solutions, to deal with that are things like IBI, intensive behaviour intervention, an extremely current issue. It's before the courts, actually, in BC. I think there are some court decisions here on it. These programs are supposed to be helpful, and the experts are saying they are, and they're expensive.

I certainly hope we each try to respond to the goal here: to have every individual achieve their best potential. That's really what the goal of this whole system is about. You'll see that around this table. Some of us have achieved more than others, some less. I'm more on the less side. That's because I'm older, though, and a lot of these supports weren't in place when I was—I think I was dyslexia when I was a child. I'm pretty sure.

Interjection: Dyslexic.

Mr O'Toole: Dyslexic—see? I can't even pronounce it. But we all bring certain things. This is what I really want to focus on. One of my children was quite good at math and languages. He's an engineer. He's a lawyer. He's bilingual. He skipped school more than he went to school. It's a sad thing to say, but he really learned quite easily, whereas his sister had more difficulties in school and needed a lot more support. So it isn't like a cookie-cutter thing. I think having a strong home is extremely important. I credit their mother with being the primary educator, for sure. When I look at it, and I don't want to

get into a self-diagnosis here, one of the children actually had a learning disability—I didn't really know too much about that—and learned coping mechanisms.

That's why I was so impressed with the report I believe your ministry commissioned, the Learning Opportunities Task Force, the report that I referred to briefly yesterday by Dr Bette Stephenson. It said something that's quite profound to me and also something I want to put quiet clearly on the record.

When I was in the Ministry of Finance, we did pre-budget consultations. At the time, I think it was 1999 or 2000-01—and this is part of the public record. I do have the Hansards. I always keep them close to me because I use them. I was told by a special-education consultant that they were actually wasting money in assessments. I'm not making this up. I was appalled at some of these assessments for special education children. They said, and I'm not quoting it word for word, but I think it's important for the members around the table. Here's what they said to me: "We know how to use the system, and we intend to use it to make the system not work." It's not helpful of me to say things like that; I understand that. But if we put children first, which I hear you say in most of your responses, let's try to do that at least here in this room amongst the different party perspectives.

Let's give credit to Dr Bette Stephenson and her report. I'm going to read one of the first observations she made, which supports the observation I've just made by a special education person in—we'll just put it this way: it's close to where your riding is, Minister. That's where it was made. What they found here—and I'll read it, because it's a bit long. "A key finding"—it's on page 7 of that report.

"A significant majority of the students arrived at the pilot institution with no or at best inadequate diagnostic information." We're spending a fortune on this. "As a result, students had neither appropriate documentation nor understanding of their own learning disabilities. A comprehensive, up-to-date diagnostic assessment is essential for the provision of requisite supports, services, programs and accommodations for students with learning disabilities. Almost all, 85%, of the pilot students required professional reassessment to enable them to succeed in their post-secondary education."

I could go on, but the point I'm making is, and you can respond in numbers or in kind, I believe we're spending \$1.6 billion—I hardly even know how to say the number—in special education, and the demands exceed that. Some boards say they spend more. Yet I've been told by some persons that there are a lot of assessments and reassessments. I'm told there's a plethora of forms. The forms are almost laughable. I've seen some of them, because I'm still very much familiar with the system. My wife is a teacher. My sister teaches special ed now at Queen's in the summer program. This program is keenly important to me.

What's wrong with these assessment processes? Why are they wasting so much money on it? Now, I don't think intentionally; I didn't suggest that. I don't think

they really know what they're looking for half of the time.

Of the \$1.6 billion in your response, you might attempt to say how much of that is actually spent on students as opposed to some psychometrist, or whatever they call them, doing reports and talking to other psychometrists about professionalization of special education.

I believe that some of the kind, gentle special-ed support assistants—EAs and TAs—are probably contributing more to that child than some of the people with PhDs. No disrespect here. I think it's just needing someone listen to them reading and correcting them, intervention, as opposed to the union-card-carrying person that otherwise is doing the job.

The observation to conclude is this. I've heard, I've seen, I've been in special education; I'm familiar with it. Diagnosis is a problem, big time. The solutions are even more complex, like IDI. I would like to know, of the \$1.6 billion, how much is actually being spent in the classroom on the student? That's a pretty long question. I could have simplified it.

Hon Mrs Witmer: OK. Maybe what I'll do is try to set the special education funding that's provided today, in the year 2003, in some sort of a context.

I think we need to go back to Bill 82, which our government introduced in 1980. That bill guaranteed universal access for all children to have the right, condition notwithstanding, to be enrolled in school boards. That really did change the makeup of our schools. Also, schools were charged with the responsibility of providing special programs and services to these children.

Over the years, special education programs have evolved. Some boards became deliverers of the programs much earlier than other boards. There was a lot of sharing. Some boards didn't have programs, so they had to buy the programs from other people.

1600

At the present time, special education funding is provided in one envelope, but there are actually two components. There is what is called SEPPA funding, which is special education per pupil amount funding. That goes to boards on the basis of the total number of students they have in their board, and it meets the needs of most students who require some special education needs.

However, as you know, there are some students with very, very high needs, so the other component of special education funding is called ISA funding. That's the intensive support amount, and that flows to boards based on the assessment of the student. I think it's that assessment that you're talking about. That certainly took some time for boards to undertake. It's now complete, and it was as a result of getting that information and seeing the fourth cycle that we were able to announce funding.

But I can tell you what we did do. We heard from boards that they needed additional resources to address the waiting lists for the assessments for these high-needs students. There were real problems, particularly in the north, the rural part of the province and French-language boards, because they just didn't have access to people

who could do the assessments in the same way that some of the urban boards did. So in June 2002, in our budget, we announced that we would provide an additional \$10 million in one-time assistance to school boards to address the waiting lists for professional assessment of our high-needs students. The budget also included \$10 million for capital improvements to provincial schools for children with disabilities. As a result, we have had the assessments done. The assessments are complete, and with all of the new files that were submitted, we did flow \$130 million immediately, based on the increased need demonstrated in the ISA comprehensive review.

I can tell you that as they complete new files for the fall, 2003-04, we're projecting that the ISA funding, based on the information we have right now, will increase by \$250 million in 2003-04 compared to the funding announced for special education in May 2002. That money is primarily being directed into the classroom to help the students: educational assistants, special education teachers, assistance. It's going to front-line workers, because the assessment you talked about for all intents and purposes is complete, except for new students who are going to come into the system.

Mr O'Toole: Do they have reassessments every year?

Hon Mrs Witmer: I'm going to just let the deputy clarify that.

Ms Herbert: We're talking about individual student assessments of their needs?

Mr O'Toole: Yes.

Ms Herbert: That can happen. If there's a change in the child's—

Mr O'Toole: A material change of some sort.

Ms Herbert: Exactly. Otherwise no, it's not necessary.

Mr Mazzilli: Thank you very much, Minister. Certainly I meet with our local school board, as most MPPs do. Just an observation. We talk about whether there's enough money in the education system, over \$15 billion. I would argue that yes, there is. At the same time, I think education is much like health care. The expectation among parents is great, and I'm one of them. When you look at the choices I have as a parent under the publicly funded system, they're enormous, probably more than there ever has been. You may know better, having served both as a teacher and a school trustee.

If I look at my options, the public school system, French immersion in the public school system, the Catholic system, French immersion in the Catholic system, or French of either that I obviously don't qualify for are my choices, and then you have the high school systems that all offer the same.

You will get areas of London where, in a matter of 10 minutes, you have six or eight buses picking up one or two kids for all these different choices. I made the choice as a parent, and the school board does a great job of delivering the service. I'm happy with the choices. I believe the school board is providing those choices because parents want them. I don't begrudge that one bit, because it allows me a wide range of choices. Have you

ever seen those types of choices in your experience as an educator or as a minister?

Hon Mrs Witmer: The choices of?

Mr Mazzilli: The broad choices of three or four different systems to pick from within the publicly funded—

Hon Mrs Witmer: No. As you know, we haven't always had the number of choices available that we have today. Certainly, students have many more choices and many more options than ever before. We're actually funding four systems. As you know, we've got the English public and Catholic, the French public and Catholic and, within the boards of education, there are some boards that offer specialized schools and opportunities. I know when I was chair of a board, we set up a high school that was a special school for the arts. So today, our students have more opportunities than they've ever had in the past.

Mr O'Toole: I guess I'm thinking in the same terms as Frank. Going back to the Rozanski report, it ultimately came out of two commissions that I'm aware of. One is the Ontario Fair Tax Commission and the other is the Royal Commission on Learning. Both suggest the equity issue, that education be publicly funded. Wherever you live, it shouldn't be a disadvantage to what education you receive. I think it was really started by the NDP. I always like to give them credit for a lot of the changes, or at least doing the studies.

Making the difficult choices you've had to make has met some opposition. They've resisted. But generally the evidence is starting to come through, both in the marks and in the satisfaction surveys I've seen. It's that time, that patience, and making the proper investments. I'm convinced we probably need one more term to get it right and I'm hopeful that will happen. The people will have to see. I hope they're patient, as you've been.

I know you have the greatest respect for the public education system—I'm not putting words in your mouth, I'm just repeating what I hear you say—and also for professional teachers. I have some problems with the antics that get orchestrated—that happens in a lot of different workplaces—but I do believe the students are better off and I don't think money is the only solution. I just want to commend you for the work you're doing, and share the last minute with Mr Arnott, because he's your parliamentary assistant.

Mr Ted Arnott (Waterloo-Wellington): Mr Chairman, on a point of order—and I'll use a moment of our party's time for a point of order—yesterday, I brought to your attention the fact that I believe one of the members of our committee was engaging in questions that I felt were rude, and continuously interrupting, whether it be the minister or the minister's staff. I listened intently and took note of his questions in the last round—this is the Liberal opposition critic. He asked 10 questions of the minister and ministry staff, and nine times he interrupted the minister or the ministry staff before they could complete their answers. I don't think the answers in any case were long or verbose or ragging the puck, as we say

around here. I would suggest to you that that kind of behaviour constitutes a lack of order and decorum, and I would look to you again, as Chairman of this committee, to maintain order and decorum. If this particular member continues to do this, I would ask you to call him to order.

I would have to contrast his behaviour with the questions asked by the NDP opposition critic, who this afternoon engaged the minister in a very thoughtful dialogue of about 20 minutes. Not once did he interrupt the minister or the ministry staff while they were attempting to answer his questions.

Again, Mr Chairman, I would ask you to do what you can to maintain order and decorum in this committee.

The Vice-Chair: Thank you for bringing the matter to my attention. I've kept very close watch on all the questions and the interchanges that happen. Estimates has a way of having this dialogue that goes back and forth, and I will continue to observe that. Thank you for bringing that to my attention.

You have a minute. Any other comment?

Mr Marchese: Let's debate that.

The Vice-Chair: On the same point of order?

1610

Mr Marchese: Mr Chairman, I want to say, for the record, that we all have different styles and each style may be appropriate to the type of questioning one is engaged in. I'm not sure that we need to talk about your role here as not having maintained order or decorum. I have full confidence in your ability to run this committee. It does reflect the different styles and it's not as bad as Ted Arnott is making it out to be.

The Vice-Chair: Thanks for your support. We move to the official opposition, taking the next 20 minutes.

Mr Gerard Kennedy (Parkdale-High Park): I want to return to the deputy minister. When we last broke—

Mr Mazzilli: On a point of order, Mr Chair: In this committee, as I understand it, all the questions are directed to the minister and then the minister can choose to answer or to defer to one of her staff. I thought that's the way the process—

The Vice-Chair: No, not quite.

Mr Mazzilli: So you can pick anybody out of the crowd and ask a question?

The Vice-Chair: You asked a point of order. Do you want me to respond?

Mr Mazzilli: Sure. You can pick anybody out of the crowd and ask a question?

The Vice-Chair: The person who is asking the question can ask that the question be answered, so to speak. It's up to the minister to say that.

Mr Kennedy: I trust, Mr Chair, that's not coming out of the limited, precious time we have to discuss the matters of importance here with the minister and the ministry.

Obviously, if the minister instructs the deputy otherwise, but the question here relates to the deputy's role as described in the memorandum on advertising content, the content directive. It says very clearly that the deputy has a role to implement this particular directive.

I want to draw your attention, Deputy, to page 3 of that directive, the first bullet on that page: "Material should not be liable to be misrepresented as party-political." This is speaking now about advertising material. "Information campaigns should not intentionally promote or be perceived as promoting party-political interests. Communication may be perceived"—and it gives a number of criteria for when this could happen—"as being party-political because of any one of a number of factors."

I want to relate this, Deputy. I want to come back to the question I asked you yesterday, because we asked earlier questions in good faith. For example, it says, "What was communicated." Well, we raised the question of the television ads you recommended to the minister for \$4 million worth of expenditure, which the minister has obviously approved. They contain largely stale information, in other words, report cards from six years ago—an initiative that was six years old—test results that were four years old, and then another ad on special education which was found to be inaccurate by Advertising Standards Canada. So that's "What was communicated."

Next, "Who communicated it." Basically it was the ministry using its corporate voice.

The other question is, "Why it was communicated." You have provided us with not a single answer. Why were these ads put on the air? In a general sense you have, but the question I ask you again is, were these ads party-political? Because in the absence of non-party-political objectives about why it was communicated, and similarly the other question in the memorandum, "What it was meant to do," it seems fairly clear that it's meant to promote the political interests of the party in power.

You've suddenly taken out ads, four years after initiatives have happened, in a period of time where it was generally accepted there may be an election. Four million dollars were spent, and I remind you again, 150 education assistants could have been hired for the money you spent on these ads. The point today is that this estimates committee is where we're supposed to get accountability for spending \$4 million of government money.

It also goes on to say you're supposed to consider, "How, when and where it was communicated." Well, it was on prime time television that these particular messages were put on; not shows that parents were watching but prime time television. I submit to you that that suggests very clearly—again in the absence of any of the communications plans, the objective information that you have a legal responsibility to provide—that these were politically inspired ads.

The most important consideration here is, "The environment in which it was communicated"—this pre-election period that exists—and "The effect it had." I don't know what effect it had but I'd be interested to know whether there was polling that you or anyone related to the ministry took in this regard.

Given that this is a specific set of considerations that you're supposed to take into account, I want to ask you

again: when it comes to this education report pamphlet with pictures of the Premier and the minister, you say you're responsible for that content as per this directive. You yesterday declined to say whether it was party-political and said that wasn't the correct question. Maybe there's a different response you can give us today. Deputy, given your special role in this policy on behalf of the people of Ontario, can you guarantee this committee that it's your view that all of this advertising we've been referring to is not party-political? Can you give us that assurance, Deputy?

Hon Mrs Witmer: Mr Kennedy, I will respond to the question. If you take a look at the directives, they do state that advertising should meet an identified "information need by identified recipients based on appropriate market research."

One of the things the Ministry of Education has learned is that parents want information in order that they can assist their children to be successful in school. I don't know if you remember, but there was a parent survey that was completed last year which showed very clearly that parents wanted additional information.

Mr Kennedy: With respect, I'm asking a very specific question. I have very limited time. If the minister is instructing the deputy not to answer the question, could she indicate that? I asked the deputy about her duties, and I asked a yes-or-no question. I'm very prepared to move on if there isn't an answer forthcoming. I'm not prepared for us to lose time for other questions that maybe the minister or the deputy is prepared to answer.

The Vice-Chair: The minister intended to answer that instead of the deputy, she said.

Mr Kennedy: But again, in respect of how the committee operates, I'm asking whether or not the deputy is prepared to declare, as the memorandum I referred to says, whether this is party-political or not.

Mr Mazzilli: On a point of order, Mr Chair: Certainly all questions go to the minister. The minister can then defer the question if she so chooses. But for Mr Kennedy to pick people out of the crowd and say, "I'm asking so and so this question" is improper of this committee.

The Vice-Chair: Mr Mazzilli, I've already ruled in that direction.

Mr Mazzilli: But he continues.

Mr Kennedy: I'd be very pleased to have the minister's answer to that particular question. Is your deputy minister prepared to undertake to us today, as her role is described in the advertising content—an official policy of your government—that all the advertising we've been referring to, the commercials and the householder you spent your education dollars on, is not party-political? That's the question I really would appreciate an answer to.

Hon Mrs Witmer: What I was endeavouring to do before you interrupted was to share with you the reason for the communications with parents. It was based on—

Mr Kennedy: With the greatest of respect, Minister, that wasn't my question. My question was a very specific one. We have guidelines here. You spent \$4 million on

these ads. I have asked whether or not you followed the procedures by having your deputy, the highest public servant in your ministry, ascertain that these ads were not partisan-political. If that's a question you're not comfortable with or are not prepared to answer, then I can understand that. But I would like you to address that question, and I would very much appreciate your co-operation in this regard.

Hon Mrs Witmer: We're being extremely co-operative, and the deputy certainly is quite capable of responding to the question. But I would just like it on the record that the parent survey generated 88,000 responses, and one of the things the parents emphasized in the survey was that they wanted more information on education.

Mr Kennedy: With the greatest of respect, the minister gave us that information yesterday. I just want to say back to you, Minister—and I really want the deputy's answer—that Robert MacDermid is a professor of political science at York University. He said that your survey, which got a 2% response and cost \$6 million, was questionable social research that was not reliable. So perhaps you'd like to table any information about that survey, but I have a different question for the deputy, and I really would respect very much if you would honour that question by either letting the deputy answer it or telling us that you won't answer the question.

The Vice-Chair: Let me get some procedural things here. Regarding the first question you asked, you agree that the minister will not answer that, so you're moving to your second question?

Mr Kennedy: She just said the deputy could answer, and I'm happy to have that answer if it's available. If it's not, I will move on.

Ms Herbert: I think I responded to this question yesterday. I'll give you the same response I did, which was that we have an approval process that's quite rigorous. It follows the guidelines. From that answer, one would assume that these three television advertisements met the rigorous approval process.

1620

Mr Kennedy: When I asked about this particular document that I hold in my hand, the education report, of which you said yesterday that you approved the content, I asked whether or not this was partisan-political. In your opinion, you said, it was an unfair question. That's what you said yesterday. Now after reading you the guidelines that require you to assess this against its party-political nature, I'm just asking you whether you are able to ascertain that this document is free of party-political content.

Ms Herbert: I think my response yesterday, Mr Kennedy, related to the fact that you asked my personal opinion.

Mr Kennedy: Then I'll correct that. In your capacity as deputy, as described in the advertising content directive, were you satisfied that this particular content did not have any party-political—

Ms Herbert: What I can tell you is that our education content of the householder was signed off and went through a rigorous approval process.

Mr Kennedy: May I ask you, then, does the education content include the Premier's front page splash and assertions about education, that education is working, education is being properly funded? Would that be included in that particular assessment?

Mr Marchese: You answered that yesterday. I remember.

Ms Herbert: I was just going to say that I answered that yesterday.

Interjections.

Mr Kennedy: What is the answer?

Ms Herbert: As I said to you yesterday, the householder, as we call it, runs through Management Board; it runs through education context approval. That met the rigorous tests that we put it through.

Interjection.

Mr Kennedy: But she's declining to say whether the specific approval was hers. I guess I'll have to take that as a non-answer.

I want to ask you, Minister: under the same guidelines, you're asked very explicitly to approve ads over \$100,000. You approved these ads to the tune of \$3.7 million. First of all, I want to confirm: did you approve the expenditure of \$3.7 million on the three television ads that we've been discussing?

Hon Mrs Witmer: I think as we've indicated here, the appropriate processes have been followed in our attempts to make sure that parents and people in Ontario have access to the information that they need in order to help their students achieve success.

Mr Kennedy: I would also like to ask, Minister, do you have with you today the requirements of this policy which you just said was satisfied? If that policy is satisfied, then you have for this committee today, one assumes, the cost-benefit analysis and the communications plans that validate these particular expenditures of \$3.7 million. Is that something you're prepared to share with us today?

Hon Mrs Witmer: We have Mr Kurts here today, who would be pleased to provide you the information.

Mr Kennedy: Yes, I remember Mr Kurts from yesterday.

Hon Mrs Witmer: He was here yesterday. He's prepared to follow through.

The Vice-Chair: Again, just state your name for the record.

Mr Michael Kurts: It's Michael Kurts. I'm the executive director of communications for the Ministry of Education.

Mr Kennedy: Mr Kurts, you heard the question and you will recall from yesterday the specific information you were checking into. You said you had certain documents—

Mr Kurts: You asked specifically whether the requirement of the advertising content directive with respect to ensuring the appropriate documentation was

prepared and approved. That directive directs that ministries must complete a communications plan and obtain the necessary approval before doing advertising. The ministry did complete a communications plan that was submitted to and received approval from the appropriate central agency. In the communications plan we also dealt with the issue of the ministry's cost-benefit analysis. We believe the ministry's advertising expenditures are effective in terms of generating information that goes to parents.

Mr Kennedy: Terrific.

Mr Kurts: We have information in response to some of these communications activities that we've undertaken that we believe proves it's getting information to parents and they're seeking out more resources as a result of those advertisements.

Mr Kennedy: That's very helpful. Could that information be tabled with us today?

Mr Kurts: The communications plan is a document that constitutes official advice to government, and as a result it can't be released.

Mr Kennedy: Is there any version of that communication plan? In other words, you're saying that the only information that justifies the \$4 million to this committee is not releasable? Is there any part of that which wouldn't satisfy the advice to government?

Mr Kurts: No. I think I've answered the question that the planned document constitutes advice to government.

Mr Kennedy: I see. Well, thank you for your assistance in this regard.

I'd like now to turn to your responsibility, Minister, for one of these ads—a special education ad. Again, the money you spent on this advertising program in this election run-up could have hired 150 education assistants. With us in the room today is Howard Timms, who is a parent whose son does not have an education assistant in the Toronto board; there are numerous of them who have communicated with me in the last while. They have not seen the benefits from what was advertised in this ad. They are troubled by the process.

One of the members opposite, Mr O'Toole, talked about the ISA process. He may not realize it's mandated by his government—all the paperwork, all the duplication. What is really disturbing is that your government sat on the ISA paperwork, the ISA 3 and ISA 2 applications, and made everyone go through an exorbitant amount of effort. It cost the board millions of dollars, which we've documented elsewhere. You sat on those applications, waited until it was politically opportune, when Dr Rozanski ordered you to pay up for those applications, and then you announced an amount. You said \$250 million would be distributed immediately when you made the announcement. Both you and the Premier made that assertion. You repeated that in the ads. It turns out that you only distributed \$201 million on an annualized basis.

I'm wondering, on the basis of Mr Timms and others who wonder why the dollars didn't arrive—I want to anticipate; you indicate that you satisfied all of the

outstanding applications. I want to caution that the practice that you changed in January—in December you made a \$250-million announcement; in January, you sent a memo saying that you were going to exclude expired cases, but there was no provision for new cases to come on.

If that's the explanation, I'm wondering if you could address why there was a change in policy between the \$250 million—by the way, I have some documentation here that was sent to school boards that demonstrates they were expecting you to send that much money out—and the change that happened in January. The money was not sent out until the end of the year. I'm wondering if you could address for me why \$250 million became \$201 million, making your advertisement inaccurate according to the advertising standards and disappointing many parents around the province.

Hon Mrs Witmer: I hope you understand, Mr Kennedy, that money flows to students in two different ways. There's the SEPPA funding and there's the ISA funding, and we've talked about the students with high needs.

Also, just to correct some of your words, Dr Rozanski didn't order anyone to do anything. Dr Rozanski very thoughtfully reviewed the funding formula. He determined that it was an appropriate vehicle to ensure equality of funding to students throughout the province of Ontario and made recommendations. I'm very pleased to say that in response to his recommendations, we did announce that we would be increasing special education funding by \$250 million on an annual basis. What happened then was that ISA claims were submitted to the ministry from school boards. As a result of those claims, there was more than \$201 million that did flow to Ontario school boards, and in turn, to support the children.

Mr Gooch can come up here and give us more detailed information, because I suspect that that is what you would like.

Mr Kennedy: If I may, Minister—

The Vice-Chair: I just want you to understand that we have two minutes to go.

Mr Kennedy: I've had a briefing from Mr Gooch on this particular subject, for which I thank you and the ministry. But what I wanted to put back to you, as the politically responsible person, is the change that Mr Gooch described to me. When Mr Gooch came to see me in a briefing after the first announcement, he provided me with a copy of a letter from your ministry. In that letter it said very explicitly that the amount of money in cycle 3 and cycle 4 was estimated to be \$250 million; the full \$120 million, of course, will be received over 2003-04. Then we received a letter sent out January 13 from Mr Gooch, saying how there would be enrolment audits that would have the effect of clawing back some of the dollars.

1630

I've heard from Mr Gooch, and Mr Gooch is a very capable member of your department, but I'm wondering,

from you, for the disappointed parents out there, because they know what this means—Minister, you've said that the ISA claims were collected. They were already submitted. Some of them had been sitting there for six, seven, eight months. So I'm wondering if you could address very specifically your reasoning as to why the criteria were changed from December to January.

Hon Mrs Witmer: Mr Kennedy, it is very important at this point in time that Mr Gooch be allowed to correct the record. I would ask for your indulgence in order that he could do that right now.

Mr Kennedy: Minister, in return, could I have your response later on?

The Vice-Chair: Mr Kennedy, your time is up. If there's a correction for the record—

Mr Kennedy: What's the correction of the record?

The Vice-Chair: The statement was not made here, was it? The statement was not made in estimates here. You said you were going to correct the record. I just want to know what record you're correcting.

Mr Peter Gooch: One of the statements that Mr Kennedy made was actually incorrect. He represented that the ministry had said it would flow \$250 million immediately. That claim was never made.

Mr Kennedy: I'll circulate the letter. I just read from the letter. I'm happy to circulate it to all the members and save their time.

Interjections.

The Vice-Chair: Order. Mr Mazzilli, did you want to Chair? You seem to be doing that.

Mr Marchese, you've got 20 minutes.

Mr Marchese: We'll be moving on to other questions.

Hon Mrs Witmer: But we might need you back.

Mr Marchese: We might need you later. Prepare yourself.

I was on the issue of what the supervisor did in relation to youth counsellors and dealing with the students at risk. From there I moved on to the whole issue of the elimination of SK—I believe there are nine—in the Toronto board.

Hon Mrs Witmer: Right, and you are accurate, Mr Marchese. There were nine senior full-day programs that were ended; however, senior kindergarten, as you know, still does exist. There are today, I understand, seven schools in the TDSB that offer full-day SK. These schools are located in the south part of the board. That's the situation.

Mr Marchese: These nine SKs that were eliminated were in areas where there were special needs, obviously, and, I'm assuming, student-at-risk kinds of needs. Are you in agreement with what the supervisor did by eliminating those nine SK programs?

Hon Mrs Witmer: Mr Marchese, obviously this decision was made by the staff of the TDSB. My understanding is that the resources were more evenly distributed throughout the board to ensure that students would benefit from this funding. So it was based on the principle of a policy of equitable distribution of

resources. That's the information that I have. Obviously, these decisions are made by people who are expert and capable, and this advice is given to the supervisor.

Mr Marchese: This decision was made by the supervisor, obviously. When the supervisor says, "We've got to cut somewhere," the staff submits ways of finding programs that could go. So I wouldn't blame the staff of the Toronto board. I'm trying to directly blame the supervisor. I'm trying to make the point that getting rid of the nine SK programs in areas of need was seriously short-sighted. I would consider it not very intelligent by the supervisor and those poor staff who were forced to make that recommendation.

You see, when you eliminate such a program, you're eliminating a program that deals with students at risk. That's what I believe, but I'm not sure whether you believe that or not, or whether you as a former teacher think the same as I do.

Hon Mrs Witmer: Personally, I'm a very strong supporter of early education, which would include JK and SK. I believe that we need to invest resources into our young people. I support the work that's been undertaken by Fraser Mustard and I think we need to continue to do everything we can. All of the research shows that whatever you can do early on in life has a tremendous impact on children later on.

Mr Marchese: I agree with that too. By the way, New Democrats are saying that we would, if we get into power—sometimes people like us.

Mr O'Toole: We like you, Rosario.

Mr Marchese: That's nice. We would institute full-time JK and full-time SK. Your thinking appears to be in line with mine. It seems odd. So both you and I agree with Fraser Mustard and others that if you—

Mr Gerretsen: Everybody agrees with Fraser Mustard just before an election. They did in 1999 as well.

Mr Marchese: And Liberals agreed with him too.

Mr Gerretsen: Everybody agrees with him.

Mr Marchese: They didn't have it in the program, but they will if they get elected.

Mr Gerretsen: We sure have it in our program; we had it two years ago.

Mr Marchese: So we agree. We probably have a good profile of who is at risk in the early years, don't we, Deputy Minister? We probably have a good sense of a profile of a student at risk, a student who could benefit from intensive support in those early years. Do we know that? Both of you can comment.

Hon Mrs Witmer: We would, because if you remember, when I was Minister of Health I set up the Healthy Babies, Healthy Children program, which now does assessments of children when they're born. Those children, as you know, are supported early in life by nurses and then by lay home visitors. So we certainly have a better profile of children who would need additional support than ever before.

Mr Marchese: Right. I agree with that. I think we know. I think you know, I think the deputy knows, Mustard knows. I think all the people who have done

early childhood education understand where the problems are. So you say you agree with Mustard in terms of putting in intensive support in those early years. My question is, what are you doing about it?

Hon Mrs Witmer: It's in our platform too.

Mr Marchese: You're kidding?

Hon Mrs Witmer: It is.

Mr Marchese: Holy cow. And was it in your platform in 1995?

Hon Mrs Witmer: I can't recall, but I will tell you it is there now and I'm a big supporter of it.

Mr Marchese: What about 1999?

Hon Mrs Witmer: I don't have the platform here, but I've always been—

Mr Marchese: Shall we ask Mr O'Toole? I think it was in your program in 1999. Here's my problem. We've had a good economy over the last many years, and God bless the Tories because they made it happen, right? Right.

Interjections.

Mr Marchese: No, you made it happen. You guys are great and almighty, and you made it happen.

Minister, given this great economy and we've had so much money, and given that you and I agree and you agreed in 1999 that we should be reinvesting in those early years, my question is, what happened? What's happening that we're not doing it?

Hon Mrs Witmer: Do you know what, Mr Marchese? We actually have been investing. Not only have we seen the expansion of Healthy Babies, Healthy Children, but we've seen preschool speech and language programs. We've also seen the early years centres developed. My colleague the Honourable Brenda Elliott has responsibility for those programs. But certainly there is more happening today than ever before to reach and support those young children who, I think you and I would agree, are at some risk.

Mr Marchese: I agree. You say you're doing more and I'm saying if we really wanted to reach out to equity in education and equitable treatment of our students, and we know that so many of our students coming into our educational system are not lucky to have had rich parents and to have had parents who come from professional homes where the literacy rates may be very high, accompanied by, God bless, a good economy or good dollars that come into their homes—if we know that, my question to you is, shouldn't we be working hard or harder; should we not have done that in 1999 when you said you would do it, so that we could bring about greater equality? Why don't we commit ourselves to the idea that we should have full-time junior kindergarten and senior kindergarten? Why can't we say to the supervisor, your friend Mr Christie—he's a friend of Stockwell, I suppose—that he's wrong in making that decision? Why can't we tell him that?

Hon Mrs Witmer: I am sure that over the long term the time will come in this province, as you've seen the evolution of the school system, when we probably will see some full-day SK and JK. We know that some boards

throughout the province already offer these programs. When we first introduced JK, if you remember—there's always some resistance to some of these programs. But I'm sure at the end of the day you're going to see more and more of these programs, because I think there's a recognition that certainly they can be beneficial to some of our young children.

1640

Mr Marchese: Not only can be but would be, because there's no question about the value of having full-time junior kindergarten and full-time senior kindergarten. My point is, if we don't do it when we have money, will we be able to do it when we're back into another recession?

Hon Mrs Witmer: Do you know what? There's one thing we should probably correct for the record, because I don't think we want to leave the impression that Fraser Mustard recommended full-time JK and SK.

Mr Marchese: The royal commission recommended full-time JK and SK.

Hon Mrs Witmer: That's right, but that wasn't Fraser Mustard.

Mr Marchese: The royal commission recommended it, which you are a strong supporter of, and O'Toole is, as are so many others. Many people talk about having to invest in those early years in terms of preventing problems from happening, so it's not a matter of whether Fraser Mustard said this or that. The point is, we have a good profile of kids who are not doing well. I think you and I agree. You were a teacher and so was I. We know who does well and we know who doesn't, by and large. So my point is, when you have a good economy, that's the time to invest. My sadness is that you're not investing in education.

Hon Mrs Witmer: I would just take you back to the fact that there has been substantial investment into supporting young children, starting with Healthy Babies, Healthy Children, into preschool speech and language, and into the early years centres. There has been a lot of investment, and it has been supporting children throughout the province. That's one thing we have to keep in mind, that we have a responsibility to provide equality of opportunity to all of these children.

Mr Marchese: No, I agree with you. That's why I think the \$10 billion that is flowing out for income tax purposes to individuals and corporations would have been better spent on kids at risk and kids who need help.

Hon Mrs Witmer: Well, we're actually investing \$50 million in students at risk as a result of the recommendations for grades 7 to 12.

Mr Marchese: I'll get to that right now. I just want to say for those who have the strength to watch our program that you have invested very little in those early years. When you talk about early programs that you provide in some schools, a pittance of a few dollars in a few schools versus all the schoolchildren who need help across—

Interjection.

Mr Marchese: It's so hard to talk to the minister. I know you're talking to the deputy. It's so hard. If you both are talking, it's so hard for me to talk to myself—

Hon Mrs Witmer: I'm listening.

Mr Marchese: —because then I talk and she tells you something and then you correct whatever, so it's tough.

Let me get back to your paper where you talk about students at risk. When did you introduce the new curriculum?

Hon Mrs Witmer: In 1998.

Mr Marchese: Did you—or the deputy, either of you, whoever wants to answer—have a sense that with the new curriculum changes there would be some problems for some students?

Hon Mrs Witmer: I'll maybe let the deputy respond. She's been there longer than I have.

Ms Herbert: I think it would be fair to say that we anticipated the transition period for the new curriculum; that is, that some children would be receiving some parts of the new curriculum. So as they moved through, we would have students using different curriculum at different stages, which is why we tried to build in some remediation opportunities throughout the life of the implementation of the curriculum. I would be happy to have my staff come up and talk to you about that.

Mr Marchese: So you knew—and if you know, then the minister knew at the time—that there would be some problems in the transition and that some students could possibly be at risk or might have been at risk. You're saying that there would be.

Ms Herbert: Yes.

Mr Marchese: And as far as you're concerned, you simply say, "Oh, we have remediation. There was remediation. We've done our job. No problemo." Is that more or less—

Ms Herbert: No, that's not how I would characterize it.

Mr Marchese: How would you characterize it?

Ms Herbert: I would say that because we knew the transition was going to impact on children differentially, we built in some safeguards, which, as I said, I'd be happy to have my staff come up and talk to you about. Particularly, as you know, we started the curriculum implementation in a staggered way through elementary first and moved through to secondary.

Mr Marchese: So you started the elementary and not the secondary first.

Ms Herbert: We started at the elementary level.

Mr Marchese: Maybe you should bring your staff so we could talk to her. This would be good for the minister too. Your name, please?

Ms Kit Rankin: My name is Kit Rankin. I'm the director of curriculum and assessment policy.

Mr Marchese: Nice to meet you, Kit. The deputy just said that we anticipated some problems in the transition with the new curriculum. I just want to know what it is that the ministry, in contemplating the problems, may have done to deal with problems that students who normally would have studied at the modified level, basic level or general level, might have, and all the great things the ministry did to help them out.

Ms Rankin: The secondary curriculum was actually introduced a couple of years after the elementary. The secondary curriculum, which is where students would have studied at the basic and modified, as you mentioned, was implemented beginning in 1999. Because we knew that teachers and school boards would require some support in changing curriculum to a very different kind of curriculum, there was extensive training. The Ministry of Education made a major effort that's been going on over the past—

Mr Marchese: What kind of training?

Ms Rankin: We did a number of things. We developed packages of training materials and resources for centralized training. We brought people in from all over Ontario, from every school board, as we implemented the new report card, the new curriculum and some of the supports like exemplars, assessment policies and so on. We've actually had over 10 different training sessions provincially.

Mr Marchese: With how many teachers participating?

Ms Rankin: Basically, we invited a couple of representatives from each school board. We then provided funding to school boards over that time period so that the people who come for provincial training could go back and provide training at the local level.

Mr Marchese: OK. Since 1998-99 so many of our students were doing so poorly. So many of our students at the general level were not doing very well in the literacy test, were falling apart, literally falling out and not doing very well. Many were dropping out early. Professor King even talked about that, a person whom your previous minister had hired. With all of these problems, what were we doing? You or the minister. The minister can comment later.

Ms Rankin: Would you like me to continue, Minister?

Hon Mrs Witmer: Yes, I'd like you to continue.

Mr Marchese: I'm sure she does.

Ms Rankin: First of all, the problems, I guess, for some of our students have been going on for a very long time. When I was in the classroom myself we did have many students who were struggling.

Mr Marchese: Of course, but we had different programs that were available to them. We had modified programs, we had general and so on. We don't have that now.

Ms Rankin: Exactly.

The Vice-Chair: Mr Marchese, you've got two minutes now.

Ms Rankin: With the new curriculum, maybe I could speak to you a little bit about some of the supports that are in place in the secondary school curriculum for students who are struggling.

Mr Marchese: Well, no. My problem is that we knew that when you changed the curriculum, lots of people would be suffering and would not be doing very well. My worry is that the minister just made a \$50-million announcement, a month and a half or two ago, I think it

was. All of a sudden they announce \$50 million for students at risk. We knew these students were at risk before. Minister, to you, why didn't we put in the money to support these students earlier when we knew we had problems?

Hon Mrs Witmer: I understand that there was remedial support that has been provided to these students, but as you know, you constantly need to be reviewing what's happening in the school system, and we were fortunate to have some of our front-line educational employees involved in taking a look at where we are today and what more we could do to support these students who do have some special and unique needs.

1650

Mr Marchese: This is where I get very pained by it all. We knew in advance that we had problems. We knew from the beginning that as soon as you change the curriculum you're going to have tremendous problems. It saddens me that we failed our students politically. You say, "Yes, well, we had some great people working at it and looking at it." In the meantime, students are dropping out, are not coping well and are finding it difficult. As we know this, we don't put in the intensive supports that we desperately should be putting in to help them. How do you feel at the end of it when I say things like that?

The Vice-Chair: Mr Marchese, I do understand your point, but the time has now come for the 20 minutes for the Conservatives. Mr Miller is very anxious to lead the charge here.

Mr Norm Miller (Parry Sound-Muskoka): I'm glad to get a chance to participate in this debate this afternoon. We have heard a lot of talk about cuts in education, and certainly I don't agree with that perspective. Some of the things I'm interested in, though, coming from a northern riding with lots of rural areas, are rural and small schools. Also, I want to talk a little bit about the funding formula, because I happen to think the funding formula is a good thing.

I'll just talk a bit about my own experience with the education system. I have four children, and currently three of them are in public and secondary school. My youngest son, Winston, is in grade 8, and I'm pleased to see that all of a sudden this year he's starting to do much better in school. He was kind of the dreamer in our family up to this point.

Mr O'Toole: Much like his father.

Mr Miller: Good point, Mr O'Toole; much like his father. He's the dreamer in the family so maybe he has more of the artistic mind, not that focused. Until this year he hasn't done all that well in school, but this year I'm really happy to see that all of a sudden he has become really focused. In fact, he was very proud to tell me that he came second in the Gauss math competition just recently.

Hon Mrs Witmer: Wow. Very good.

Mr Miller: I was really pleased with that, and he's still keeping up all of his artistic endeavours. As I say, he is the artist in the family. Of course, I'm very proud of all my children. He's in grade 8 at Monck Public School.

Our next son, Stuart, is in grade 10 at Bracebridge and Muskoka Lakes Secondary School. In fact, he was just down here with his class last week in the Legislature.

Hon Mrs Witmer: We met him.

Mr Miller: Yes, I made the point of embarrassing him in the Legislature. Stuart is doing well. He's involved with the student parliament. I know that last week they had a regatta at the school that he and his sister Renée, who's in grade 12, who's also in the student parliament—in fact, Renée was just nominated as a possible candidate for student of the year or whatever they call it. So I'm really pleased about that. She's the treasurer of the student parliament at Bracebridge and Muskoka Lakes Secondary School.

I'd like to say that all my kids are involved. Our oldest daughter, Abigale, just finished her second year at McGill, taking biochemistry. She came through—she was the first year—

Mr Marchese: In the old system.

Mr Miller: No, not for the old system. So my kids are involved in the new curriculum. They're being served very well by some great teachers, and they've done really well. I'm really pleased with their experiences with the education system.

I'm a big supporter of the funding formula. If you're in a riding like Parry Sound-Muskoka—and I had three different schools from my riding down here today. I had Evergreen Heights Public School from Emsdale, Land of Lakes Public School—65 of them—from Burk's Falls, and the Britt school. Britt is right up in the northwestern part of the riding on Georgian Bay—all seven kids from grades 7 and 8 from Britt school.

Mr O'Toole: Seven kids in one grade. That's amazing.

Mr Miller: There are small class sizes at Britt, that's for sure.

Actually, that brings me to my point of rural schools and small schools and how important they are. If you're in Britt, the next nearest school is probably an hour's drive away. It is quite a remote area, and that school is really important to that area.

What is the government doing to ensure that small schools like Britt will continue to exist? I know that Dr Downey is doing consultations and that \$50 million has been allocated, but can you tell me more about plans for small and rural schools?

Hon Mrs Witmer: I can, but first of all, congratulations to your children. It's great that they're doing well.

I think we really need to start concentrating. We can talk a lot about money, but if we take a look at the results today, with the programs we've put in place, with the curriculum and the standards, our students in Ontario are doing better than ever before. I think the international and national testing certainly demonstrates that.

One of the areas we have been concerned about is the remote and small schools in the province. We have many of them. They play a very important role. You've pointed out Britt and the fact that it's very far from any other community. What we're trying to do is make sure that the

students who attend those schools have access to quality education. We also need to keep in mind that these single schools in small communities promote a sense of community and solidarity as well within that community. So we want to make sure we can protect these schools and expand their roles. We do provide them with a geographic circumstances grant and that allows them to receive significant funding that otherwise would not be available.

We also recognized that more is needed to be done, so we asked Dr James Downey, the former president of the University of Waterloo, to take a look at how we can ensure that small schools in northern and rural Ontario continue to have the opportunity to provide the quality education to our students that is required. We hear about school openings and school closings, but we've got to make sure that these schools remain open.

We have \$50 million in new funding that will be made available for small schools in rural and northern Ontario. In addition, eligible school boards will also receive \$19 million to help address the higher costs in rural and northern communities. We also have \$13 million for an update to the cost benchmarks used in the geographic circumstances grant, as recommended by the EETF report, and \$6 million to help boards with small secondary schools.

What Dr Downey is going to be taking a look at is how we would flow the \$50 million. He's going to develop recommendations. It's all part of our rural strategy to keep our schools open. But not just open; we have to make sure that these students have access to the same quality education as others in the province. So right now Dr Downey is doing consultations with education partners and community leaders. He's invited them to participate in these discussions. He's asking them, "What should the role of your school be? What do you see as the future for your local school?"

He is also taking a look at research that's available in other jurisdictions in order that we can use the best practices that have been developed elsewhere, not just in Canada but around the world. He's also reviewing the ministry guidelines and the board practices on school closures to ensure that the decisions that are being made in the province today are open and accountable and are taking place as required under the Education Act. Obviously, at the end of the day, he's identifying school boards that will need additional support to operate small schools in single school communities.

I think his information gathering and his consultation are pretty well complete. He's going to report to us by the end of the school year in June. He's going to give us recommendations that will ensure that students in small schools are in a position where they can receive the quality education they deserve.

We want to protect our rural and northern schools, and that's why we believe it's important to have a third party do this independent study, in order to come up with the best recommendations to help our students achieve success.

1700

Mr Miller: I certainly like your emphasis on students and helping them achieve success. I'm very pleased to see how the test results have been improving each year.

I'm a great fan of the funding formula. For an area like Parry Sound-Muskoka that doesn't have a huge—especially when you get up in the Parry Sound area. If you're in Kearney or Britt, you just don't have a big property tax base. So I think the basic premise on which it's built, that each child receives funding that goes along with them, makes all the sense in the world and is fair and ensures all the kids across the province the same opportunity. I think that's certainly excellent.

Getting back to the inference that there have been cuts, when I look at the main boards in the area of Parry Sound-Muskoka, for Trillium Lakelands this year I see in the projections they're seeing an increase in revenue of 8.3%, which is \$4.9 million, even though there has been an enrolment decline of 3.1%. It's a pretty substantial investment in the Trillium Lakelands District School Board. In the Near North board, which also serves my area, I see a plus 9.1% change in revenue, which is \$4.2 million, even though there's been a 0.8% decline in enrolment. The other main board in my area—there are a couple of smaller ones—the Simcoe Muskoka Catholic District School Board, I see plus 7.1% change in revenue, even though there's a 2.5% decline in enrolment, and that's \$4.5 million of additional revenue. So I certainly see a lot of investment going into the boards in Parry Sound-Muskoka.

Getting back to the funding formula in rural areas, on the Parry Sound side, as is the case in most of northern Ontario, we're seeing declining enrolments. Can you talk about how the funding formula deals with the case where you have declining enrolments in a school board? Your costs don't necessarily disappear, even though the enrolment does decline.

Hon Mrs Witmer: You're right; the enrolment in our schools is declining. You're also right that we are spending more money. It's at a record level. This year we're going to be investing \$15.3 billion into the system, and that's \$1.1 billion more than we announced last May. So that's an increase of about 8%, while the population in Ontario is decreasing by 2%. I think it's really important we keep that in mind and that our government continues to address the issue.

I'm going to ask Mr Gooch to give you some of the information about the declining enrolment grant, because it's going to increase from \$36 million in 2002-03 to about \$119 million in 2003-04. In percentages, that is an increase of 200%. So I think our government is doing everything we can to support those schools and boards that have a declining enrolment issue.

Mr Miller: That's certainly important for Parry Sound-Muskoka and across most of the north. From the last census—and I don't know what it boils down to in terms of students—I know the general population has seen about a 5% decrease in the north.

The Vice-Chair: I know you have before, but you'll need to reintroduce yourself just for the record.

Mr Gooch: My name is Peter Gooch. I'm director of the education finance branch in the Ministry of Education.

The minister has asked me to provide a little more information about the declining enrolment adjustment. I can tell you that this is a change to the student-focused funding model that was introduced for the current school year. Many boards had raised the concern that the costs the boards have do not decline at the same rate that the revenue declines. Because it is student-focused funding—and most of the revenue in the model is affected by student enrolment—when boards were losing students from graduation and not having as many students coming into the board, they were losing significant amounts of revenue. The point they made to us strenuously over and over again was that some of their costs did not decline in the same way. Just because a few students left a school, you should still have a principal and a secretary there, you still had to heat and light the building and so forth.

So we pulled together a representative group of school boards, their senior business officials, and we worked with them to try to quantify what a reasonable approach would be, because there already are some parts of the student-focused funding model that do help boards when they have declining enrolment. For example, there's a component called the top-up funding for school operations and school renewal, where if a school is only 80% full, we fund it as if it were 100% full for operations.

But then that doesn't always work because there are limits to that funding and specific criteria. So we asked them to help us determine what parts of their costs were sensitive to enrolment and what parts weren't, and we came up with an approach that in effect simply gives boards a little more time. We recognize that over time, as students leave, boards can adjust their costs. They can sometimes close schools and consolidate them, sometimes they can reduce their costs by other means, and what we've done with the declining enrolment adjustment is give them time.

Mr Miller: That sounds like a very logical approach. Did Dr Rozanski make any suggestions to do with declining enrolments?

Mr Gooch: He did. He endorsed us. As the minister has mentioned, he gave an overall endorsement for the structure of student-focused funding and he did comment on the declining enrolment adjustment and again recommended that the ministry continue that approach, but that we give boards more time. The current approach gives boards two years. We do the adjustment based on their enrolment decline in one year and give them a revenue stream, and next year we're going to be providing half the funding that we gave them this year for declining enrolment. It's kind of an ongoing approach like that. He suggested we add a year to that calculation. As part of the government's announcements in response to Dr Rozanski to date, the government did announce that in the next school year, in 2004-05, there will be an additional

amount of revenue available for the declining enrolment adjustment to extend it to three years.

Mr Miller: I have a question to do with the small secondary schools. I have a small secondary school in the southern part of my riding in Gravenhurst. I think there's roughly around 350 people. There is, I believe, a specific envelope of funding for small secondary schools.

Mr Gooch: That's correct.

Mr Miller: In the case of this school, I think it doesn't qualify because it's too close to another secondary school. The town of Bracebridge is roughly 15 kilometres away, so as a result it doesn't qualify. Is there any room for negotiation on that? I know there are a lot of parents who are quite concerned about the viability of this Gravenhurst high school and want to see investment into that school.

Mr Gooch: That's exactly why the government has appointed Dr Downey to be the rural education adviser. We have heard many concerns on an ongoing basis about how hard it is to run very small schools, particularly in rural or northern parts of the province. So Dr Downey has been meeting, as the minister described, with boards of education and other relevant groups, and he'll be giving recommendations to the government this month. We may see some recommendations from him that the government would turn into some additional funding for boards.

The Vice-Chair: Two minutes.

Mr O'Toole: I want to follow up a little bit on the—I found the line of questions quite interesting, actually, in a general sense. I think of the big number, the macro stuff. There is \$15 billion roughly and there are about two million students, so we're spending about \$7,000 per student and, as far as I understand it, it's going up. It's being equalized, and that is the problem for some parts of the province. I understand that. I hope I haven't got that totally wrong. Some boards aren't as rich as they used to be.

Mr Gooch: Some boards, that's true.

Mr O'Toole: Yes. So we're hearing lots of squawking from some but we're not hearing enough about the improvements that Mr Miller referred to. Of course, my riding is the same. I have the same thing. Every board has got more money than they did. Every single board has more money, but they're all playing the same tune as the Toronto-Ottawa-London-Hamilton-type boards. The rich boards are mad, no question, and I understand that. But I think we've got to work with that and not work to the bottom, but work to the best possible resources available.

1710

I'm interested in the special ed, the children at risk. I'm going to stay on that topic, if I can.

The ISA working group was an important reason for the change to the funding. I can recall watching the numbers quite closely. What the old system did historically, or prehistorically, was they never gave them an IPRC until the last moment, grade 3 or grade 4. Generally, that's what happened. They struggled along, and by the time the parent caught on to what was going on, the

non-commenting Christmas cards—well, report cards, actually. Do you understand? No one really knew until about grade 4 or grade 5 that they couldn't read. My point, though, is the—

The Vice-Chair: Mr O'Toole, that point has to be made in the next round.

Mr O'Toole: Maybe I could have unanimous consent that I could continue.

The Vice-Chair: Well, we'll ask Mr Kennedy.

Mr Kennedy: Mr Peters.

The Vice-Chair: Mr Peters, who has been waiting desperately, 20 minutes.

Mr Steve Peters (Elgin-Middlesex-London): Minister, the Thames Valley District School Board was created five years ago, and since the amalgamation, we've been through two elections. In the past six months or so, there have been a number of issues that have arisen: urban-rural issues, some question over representation. We certainly have seen a decreased number of school board representatives. Actually, I was at a meeting yesterday with the Thames Valley board and Elgin county council, and a couple of the school board members described the representation as scandalous and insulting.

You've had the Rural Ontario Municipal Association, ROMA, pass a resolution this past winter. The western and eastern wardens are looking for a review of school board amalgamations. In February of this past year, the Thames Valley District School Board passed a resolution asking for a third party review of amalgamations as to where we are and where we've been in the past five years.

I caught with interest your comments to Mr Miller in his previous questioning, talking about Dr Downey and the importance of having a third party, independent review.

Minister, would you make a commitment to the Thames Valley District School Board and, quite honestly, to the other school boards around the province who have had to deal with amalgamations, that you would embark on a third party independent review, as Thames Valley has asked for, and could you give me some idea of when Thames Valley will have a response to the resolution they passed in February 2003 regarding this whole issue?

Hon Mrs Witmer: I appreciate the question. I know that this has been an issue of concern for the Thames Valley board and trustees and those involved with it.

If you recall, when Dr Rozanski did his review of the funding formula, he made a recommendation that we would take a look at the governance structure of school boards. It is our plan to put in place a process whereby the issues that you've addressed and others—for example, the role of trustees—would be and could be addressed, because I do believe it's important. As we've gone through the amalgamation, I think there have certainly been some communities such as the one you mentioned that have faced some very unique challenges. So the plan is to move forward.

Mr Peters: Can you give us some idea of when this governance review that Rozanski recommended is going to be undertaken?

Hon Mrs Witmer: I don't have a specific time in mind, but I can tell you that it certainly is something I hope we could undertake in the not-too-distant future.

Mr Peters: I'd appreciate it if somebody could check. The Thames Valley District School Board is waiting for some sort of a response from the resolution they passed in February asking for this third party review, and if somebody could communicate with the school board, it would be most appreciated.

Hon Mrs Witmer: What we will do is check the correspondence and make sure that a response is provided to them as quickly as possible.

Mr Peters: Thank you.

Mr Kennedy: Just to let you know, Minister, later on I'll be asking about special education funding and some of the discrepancies in the advertising. I will come back to that.

I'd like to raise a new subject with you. I'd like to ask you specifically about the growth that your government has fostered in private school enrolment. If you look at your ministry figures, you'll see that—

Mr O'Toole: It's their choice.

Mr Kennedy: One of the members opposite says it's their choice. Well, it looks like this is one education sector where you can say you've been successful. From 1990 to 1995 there was an 11,000-person increase in private school enrolment and public school enrolment growth was 167,000. In other words, in that period of time about one in 16 of new students went to a private school.

Under your record, from 1995 to 2002, 37,102 new students went to private schools and approximately only 102,000 went to public schools. That is a 50% increase. In other words, there were 50% more children in private schools under your watch compared to a previous increase of around 17%, whereas the public growth dropped from 9% to 5%. Some of the commentary previously had been about declining enrolment. Now you've got one in four new students going to private school. No question you've got declining enrolment in public schools because you've created an environment where parents are being forced to send their kids to private schools to get the quality—they think that's a refuge for them away from some of the problems that you've introduced to the system. I'm wondering if you can tell us, given that now there is a factor of 10 times as much growth, a 50% increase in private schools under your watch versus a 5% increase in publicly funded schools, whether you're proud of that record that your government has to encourage such high growth in private schools?

Hon Mrs Witmer: I guess the question I'd put to you, Mr Kennedy, is do you think parents such as your own or mine—why do we send our children to private schools?

Mr Kennedy: Minister, if you would like to answer the question, that would be fine. If not, I'm happy to

pursue other questions. I asked whether or not you, as the Minister of Education, presumably of public education, are happy with your track record. Your track record is a 50% jump. Under previous governments, there was little growth in private schools, and now there's a huge jump.

Meanwhile, you talked about declining enrolment. You had an official come up and talk about how you have to help compensate boards temporarily for the impacts, and there are schools closing in rural areas and so on. A big factor is this huge jump in private schools. I think that as the minister of public education it would be important to have your view on the record of whether you're proud of that very large jump in private schools, specifically and exclusively, it seems, on your watch, in your government's time.

Hon Mrs Witmer: Did you ever attend a private school, Mr Kennedy?

Mr Kennedy: I did, and I'll tell you what it did. I went to that private school on a scholarship and it proved to me there should be no public money in private schools because they're places of privilege. That's what it proved to me, but apparently you disagree, because you're not satisfied with a 50% increase in private school enrolment. Instead, you're now offering an incentive.

Minister, I want to ask you again: are you happy that there is a 50% increase, 37,000 kids flooding into private schools under your watch? You've helped create these conditions and I wonder if you would like to take credit for this particular accomplishment?

Hon Mrs Witmer: I think we need to take a look at the issue of parental choice, just as our parents made decisions for some of us in this room. I'd just like to share with you the type of private schools presently in the province. We have 15 Amish schools, three Armenian, 177 Christian, 25 First Nations, 15 international, 22 Islamic, 35 Jewish, 13 learning-centred, 70 Mennonite, 87 Montessori, 12 Roman Catholic, nine Seventh-day Adventist, nine Waldorf schools and 87 non-denominational, non-affiliated. Obviously, parents have made a choice that this is where they would like their children to go to school.

Mr Kennedy: Minister, I gave you a chance to be on the record and you chose to avoid the question.

I want to quote to you from one of the parents, Diane Allen:

"For the past four years, our son has attended a private school, at an annual cost of more than \$12,000 for tuition and books. We are not wealthy people by any means and have had to mortgage our future to pay these fees.

"However, we really have no choice. The public school system has been crippled by funding cutbacks since the Progressive Conservative Party came to power and is unable to meet his needs as a learning-disabled, attention-deficit student."

Ms Allen is telling you, as the minister of public education, that you forced her out. You forced to re-mortgage her house to get the kind of services that her son needed.

Minister, you declined to answer the specific question, as the Minister of Education, around your particular record. I'd like to ask you a different question. But I would like, in respect of Ms Allen, to ask you about the kind of money you're taking away from public education to put into private schools. I want to ask you if you're aware, very specifically again—we talked to nine private schools; those are all of the private schools that we talked to. We talked to Albert College. Their tuition is \$29,000; it's going up to \$31,000 next year. Appleby College is going to go from \$35,100 to \$36,850. Bayview Glen is going from \$17,100 to \$18,126. Branksome Hall is up from \$16,000 to \$18,150. Country Day School is up from \$14,700 to \$15,950. Haverger College is going to raise their tuition next year from \$15,900 to \$16,850. Holy Trinity School: \$13,600 dollars up to \$14,300. Toronto French School: \$16,900 up to \$17,750. Trinity College School: \$31,750 to a bargain rate \$33,750.

Now Minister, the average increase of these nine schools is \$1,400, the exact value of the tax credit you propose to give to them. So what's happening around the province is that the schools are raising their tuition to take advantage of your tax credit. Is that the intent of your tax credit program? It's happening all over the place. Your tax credit means equity for high-end private schools. Obviously that's what they're doing. Are you aware of this, Minister? Has your ministry tracked this phenomenon, that you're actually sending the money to private schools so they can increase their tuition? Do you have a study or do you have some prior awareness of this particular use of your private school tax credit?

1720

Hon Mrs Witmer: My emphasis as Minister of Education is to focus on the public school system, and I am very proud and I am very pleased that our government introduced high standards into the public education system. We've introduced testing. We are funding—

Mr Kennedy: Minister, with all respect, I didn't ask that question.

Hon Mrs Witmer: —the public school system at record levels today. We are providing more money for special education to support children with special needs, and I think it's extremely important that we take a look at the funding that we are presently providing for the public school system, because I can tell you it is better and higher than ever before, as is the quality. We have a stronger public education system in the province and we need to continue to build on that system.

Mr Kennedy: Are you aware that your tax credit, the one that you're approving—you approved Bill 53 in the Legislature today—is going to send thousands of dollars, millions of dollars in fact, to high-end schools so they can increase their tuition? I'm asking you very specifically—and I'd like you not to avoid the question this time—have you done studies to know what's happening in the private schools that you're now sending some \$500 million to? Do you know of this phenomenon? This increased tuition is where you're sending taxpayers' dollars, public taxpayers' money—into private schools so

they can raise their tuition. Are you aware of that? Do you have a study of your own of this particular phenomenon?

Hon Mrs Witmer: As I said before, I'm a very proud supporter of the public school system in the province of Ontario. But you know, for the record, your leader did tell the Jewish leadership that he had no ideological opposition to ensuring public funds support Jewish day schools.

Mr Kennedy: Minister, would you like to answer this question?

Hon Mrs Witmer: It is believed that it was the first time that any provincial party leader had made such a declaration.

Mr Kennedy: Your finance minister, who is now shepherding the bill through the Legislature, wrote to the then minister and said that extending funding to private schools would result in fragmentation of the education system in Ontario. When you were chair of the school board in Waterloo region, you sponsored a resolution against funding private schools. Now, since you've raised it as a point of view, can I ask, are you fully in support of Bill 53, which is sending all this extra tuition to private schools? Have you changed your mind about funding for private schools from the time when you were chair of the Waterloo board and passed a resolution against funding for private schools?

Hon Mrs Witmer: I have always been a proud supporter of the public school system. I think we have a wonderful system in this province. Our government has worked extremely hard to make it even better than it has been in the past. It's a strong foundation that we build upon; however, we also believe that it is fair to support educational choice for parents and to encourage all schools to meet the high standards the province has set.

Mr Kennedy: I take it from that that you have changed your point of view, that you're now also a supporter of the private school tax credit that is sending more money into schools and presumably will increase the enrolment further from the huge 50% increase that you sponsored in your government, the government you've been part of, a minister of the crown since day one. That's your track record.

Now, I want to know, do you have studies that you're prepared to table today? What will be the impact? How will the public education system that you're here as the minister representing be impacted by the expanded and accelerated growth of the private school tax credit? What will be the further impact on the public school system? Will it cause schools to close? Will it have an impact on the quality of programs that can be offered? How much funding will get diverted away from public schools if children choose to leave? Have you done these kinds of impact studies? Are there studies that your ministry has done about the impact of the private school tax credit on the public system, which you say you're proud of? Obviously you're also supporting this idea of private school tax credits and vouchers.

Hon Mrs Witmer: Since this is an initiative that goes through the Ministry of Finance, I'm sure they would have additional information. But again, I would just remind the member—

Mr Kennedy: Is that a no?

Hon Mrs Witmer: —that we are investing record amounts of money in the public education system in the province today. If you take a look at the headlines in the paper as the budgets are coming out from school boards, everybody is thrilled with the new funding that the government has provided, the additional resources they're able to make available to their students. I think it's very important that we continue to make sure that we all work together on behalf of public education.

Mr Kennedy: How are you working together on behalf of public education when you're encouraging the growth of private schools by giving a tax credit? You're sitting here today telling us you haven't done a single study. You haven't done any due diligence at all. You haven't got one piece of paper to show how public education, of which you're a professed supporter, will benefit or not be harmed, or if it's going to be harmed, to what extent, by this particular initiative of your government.

I think it's stunning that you have not done a single thing, not lifted a finger to minimize whatever adverse impacts there could be out there. I think that's alarming.

Back in 2001, Gerry Phillips, the member for Scarborough-Agincourt, requested from your government a copy of a study that was done. The minister didn't acknowledge that study a month later in estimates, but apparently there was such a study done. This study was not released because it was deemed to be advice. But I'm wondering again, for the sake of the people who are out there in the community, if you could tell us—this Equity in Education Tax Credit: Issues for the Ministry of Education, May 31, 2001, was prepared for the meeting of the cabinet's priorities, policy and communications board. Is there any public document, any document at all, you can give us, maybe derived from whatever preparation was done?

I'll just note for the record that an interesting thing happened here. The decision to introduce the tax credit took place earlier in May, and then on May 31, a study was prepared. In other words, four weeks later, there was a study done about the impact of a new initiative.

I'm trying to find out from you, Minister, have you done any studies in your role, now that you're back to the tax credit? You support that. Have you got any new studies, or are there portions of this earlier study that could now be given to the public to show perhaps that your ministry has done any due diligence at all to know what the impact of putting public money into private schools, letting them raise their tuitions, capturing up public dollars, will be on enticing more kids out of public schools into private schools, on impacting rural areas and so on? Do you have any studies at all done by your ministry, or is this previous study now something you can declassify and make available?

The Vice-Chair: I'll allow her to respond for a minute.

Hon Mrs Witmer: I don't know which study you might have. Obviously, you have access to some information that we don't seem to be—

Mr Kennedy: You don't have them? There are no studies?

Hon Mrs Witmer: We don't know what you're talking about, Mr Kennedy.

Mr Kennedy: I'm happy to share it with you. It was from the Information and Privacy Commissioner—it's listed here—Equity in Education Tax Credit: Issues for the Ministry of Education, May 31, 2001. I'm startled that you wouldn't be aware of that study, because that was the official response coming back through your ministry.

1730

I know you won't have time to answer in full, but I'd like you to come back to this particular question. You mentioned accountability and standards. I would like you to lay out for us a comparison—

Hon Mrs Witmer: When did I mention accountability and standards?

Mr Kennedy: You mentioned you would like all schools to meet high standards. I'm paraphrasing, but that's basically what you said a few minutes ago.

Hon Mrs Witmer: You took great liberty with the special education—

Mr Kennedy: My question—

The Vice-Chair: Order. We can take those under consideration on the second time around.

Mr Kennedy: So it's a complete thought for the minister for next time, it's simply that I'd like to see a comparison of the standards that she is seeking from private schools that she's now sending public money to and the ones that exist for public schools. Can we have that for next time?

Hon Mrs Witmer: Mr Curling, it's funny that we didn't pursue special education.

Mr Kennedy: We will pursue it.

The Vice-Chair: Mr Marchese, you have 20 minutes.

Mr Marchese: Minister, you are investing \$50 million for high school students at risk. Do you now realize that this is an important investment that needs to be made? I was trying to get at that earlier in terms of the questioning of your staff and you, really. If we knew that we were going to have difficulty with the new curriculum and so many students would suffer and be affected by it, why didn't you invest earlier?

Hon Mrs Witmer: I will ask the deputy to respond to the question, because I think she can continue from where Ms Rankin left off. I think she can demonstrate that there has always been an attempt to provide the support to the students that has been required.

Ms Herbert: Mr Marchese, in the learning opportunities grant in the new funding formula we've provided additional money for such items as remedial reading, early literacy from JK to grade 3, literacy and math programs, summer school programs, and then of course,

the new \$50 million that the minister has referenced. That is a new component to what has been since the funding formula was first put in place and acknowledgement in the learning opportunities grant that we would need to have money available for remedial supports.

As well, as you know, we provide money through the language grant for English as a second language and we provide additional support to the francophone boards for French-language students who need assistance with French as a language of instruction.

Mr Marchese: So the \$50 million was just announced for students at risk at the secondary level. Did it not occur to the deputy or the minister before that we should have invested these millions much earlier, given that we knew that so many students were not doing well?

Ms Herbert: Was my point, Mr Marchese: that in fact through the learning opportunities grant we have been providing additional funds. There is now a new program called GOALS, which will be supported by the \$50 million. I'd be happy to have staff discuss that program with you in some detail.

Mr Marchese: There were so many people saying that so many students were falling through the cracks, it just saddens me that we did so little. Only in the last couple of months did we realize that we have to invest some money. It's really pitiful.

Ms Herbert: I would say, though, that if we go back to the royal commission, you will see that it too talked about how we serve children in what would have then been, as we would have called it, the basic program. For a long period of time the education system has struggled with how to support these children and what the right set of services and the right teaching instruction and the right curriculum should be.

Mr Marchese: I hear you. My point was that we have a new curriculum and that added different stresses to our students. I understand what you just said. But the new curriculum added a new component which created new problems and aggravated old problems—that's my point—and we knew that.

Ms Herbert: I would respectfully disagree with that assessment.

Mr Marchese: Really, you would disagree with that? How can you disagree?

Ms Herbert: In the sense of what the new curriculum is attempting to do, and it is quite new and we are monitoring it, as you can imagine.

Mr Marchese: Of course, we always monitor.

Ms Herbert: It is attempting to find the right way to support those children, and we can talk about—

Mr Marchese: But the point is that the new curriculum abolished the modified basic program. We now have a general program and an advanced or academic and it's different. We didn't know that. When you get rid of a modified or basic program, you're creating—anyway. The point is we knew or, as lawyers say, "ought to have known." As educators, we knew that there were these

problems, and we've let students suffer for so long. I just don't understand how we could do that.

Anyway, now that we've invested \$50 million at the secondary level to help these kids, and knowing that so many of our students in the primary grades, prior to coming into the system—do you think that maybe we should pour in millions and millions of dollars to help those students who otherwise would become at risk at the secondary level? If \$50 million is an appropriate amount for you to put for students at risk at the secondary level, how much do you think would be appropriate to put for students who we know are at risk in the primary grades?

Ms Herbert: I think, Mr Marchese, that the issue here is understanding what works for these children and putting those things in place. That is something, as I said earlier, that the system has struggled with for a long time. The minister knows these children well.

Mr Marchese: There are so many studies, by OISE and others. We know what problems students bring into the system. We have all the evidence we need. We know their problems. All we need to do is invest dollars, millions of dollars, to help kids who otherwise will be at risk in high school and won't have the opportunity to get into colleges or universities.

I'm saying that you're investing \$50 million because you've got to help these students now and I'm wondering, do you have a sense of what it might cost to reinvest in the early years to help kids so that they'll have more opportunities at the high school level?

Hon Mrs Witmer: Mr Marchese, I think what we're forgetting is that, in response to the needs of the children in our schools, we did introduce a number of programs to help students achieve success, which I think had special application to some of the students who might be at risk later. As you know, we introduced the early reading and the early math programs.

Mr Marchese: How many students benefit from that program?

Hon Mrs Witmer: Do you know what? All children. It starts at JK and it goes to grade 6. I have been into the classrooms this past year and I have to tell you I have been so impressed by how our students are working with their teachers and achieving success. They are going to have success like the students you and I knew never will have. In fact, students who have never learned to read and write are now learning to read and write at an early time because somebody is actually taking the time to concentrate on literacy across the curriculum.

Mr Marchese: Thank you, Minister. I don't think that's happening, but thank you anyway.

This course that these students at risk are going to be taking, at what grade is it available?

Hon Mrs Witmer: The student at risk? The funding of the \$50 million will start to flow and, as you see, it builds on the early math and early literacy funding. It starts in grade 7, providing remedial support, and goes to grade 12. So we now have a continuum—

Mr Marchese: So, if I can: "Students in grade 12 who have not passed the literacy test now have the oppor-

tunity to have their reading and writing skills assessed, meet the required standards and be one step closer to obtaining their secondary school diploma. This course will be available to students starting this September.”

At what grade does that course begin? Grade 7?

Hon Mrs Witmer: No, that course—

Mr Marchese: That’s what I’m talking about: that course.

Hon Mrs Witmer: —starts in grade 12. There’s also a course in grade 9 to help prepare students who are at risk to write the literacy test.

Mr Marchese: That’s good. I was just talking about this one. So the students write the grade 10 literacy test in grade 10. What happens in grade 11?

Hon Mrs Witmer: They have remedial support that will be provided during the school day.

Mr Marchese: This is new remedial support.

Hon Mrs Witmer: This is in addition to the remediation that was already provided before.

Mr Marchese: And this remedial support happens in the classroom? Outside of the classroom?

Hon Mrs Witmer: This will happen within the school day.

Mr Marchese: So the teacher is teaching, and this student willingly says, “I am not very doing well, teacher. This is the person you’ve got to help and I’m very happy to receive the help in the classroom. It doesn’t affect my self-esteem or anything.” How much time will that student get?

Hon Mrs Witmer: There will be flexible timetables so that the remediation can take place within or outside of the regular school day. We need to be flexible with these students, Mr Marchese, because some of them are also doing co-op placements.

We’re trying to make sure that when they leave school they have a pathway to college, university or directly into the workplace, which could be an apprenticeship.

Mr Marchese: I understand. Is there a reason why this course isn’t started in grade 11, as opposed to grade 12?

Hon Mrs Witmer: The grade 12 literacy program—as I say, we’ve had people who have been on the front lines of education involved in developing the recommendations under the leadership of Barry O’Connor, director from the Limestone board. We felt it was best to be responsive to those individuals. At the end of the day, based on a review of all the information, it was decided that grade 12 was an appropriate level to make sure these children have the opportunity to get their diploma.

1740

Mr Marchese: I think it’s a mistake, by the way. It should be in grade 11, if anything.

Can you tell me, why is the supervisor at the Toronto board, or any other board, still there?

Hon Mrs Witmer: Well, you know what? I think it’s regrettable that the supervisor was put in place but, as you know, the trustees in the Toronto board did not abide by the Education Act. They didn’t submit a balanced budget.

Mr Marchese: So that’s why he’s still there.

Hon Mrs Witmer: He’s still there.

Mr Marchese: OK, so he’s still there because they didn’t—

Hon Mrs Witmer: The legislation requires that the supervisor be in place until there is evidence they’re operating a balanced budget.

Mr Marchese: Right. The Rozanski recommendations: do you agree with that report?

Hon Mrs Witmer: Which one?

Mr Marchese: The recommendations made by Dr Rozanski.

Hon Mrs Witmer: Well, I think you can see that, as a result of what we have said since he made the recommendations, we’re actually going to go beyond his \$1.8 billion in investments, and we’ve already committed to \$2 billion. He said it should happen over three years. We’ve made, as you know, a very, very good start. We had over \$600 million out the door within three days after the recommendations.

Mr Marchese: No, I know that. I’m going to be reading something to you. You’re not only in agreement with the recommendations, but are going to go beyond them?

Hon Mrs Witmer: Well, I know that at the end of the day we are going to be responding to students, because our goal is to help students achieve success. We’ve already committed to do that.

Mr Marchese: No, no, I hear you. I’m glad. I’m going to get to that in a moment. Is there something in the recommendations that you don’t support?

Hon Mrs Witmer: We’ve indicated we’re supportive of the report.

Mr Marchese: Of the report. So one of the recommendations says that boards should have access to 5% of the foundation grant of every board. When might you be considering instituting such a recommendation?

Hon Mrs Witmer: OK. As you probably know, different recommendations are being implemented at different times. For some of them, the announcements are already complete. Some of the work is—

Mr Marchese: No, just that one.

Hon Mrs Witmer: OK. A work plan is under development. Let me find it, here.

Mr Marchese: But there is such a recommendation, I assure you.

Hon Mrs Witmer: We’re going to get—

Mr Marchese: Oh, no, no. Please, I’ve got so many other things that I want to say. All I’m saying, Minister, is if you implement that recommendation—

Hon Mrs Witmer: You know, Mr Hartmann—

Mr Marchese: No, I like him. I do like him. It’s not the point.

Hon Mrs Witmer: But you know, he can give you the answer. Do you want the answer?

Mr Marchese: Oh, well, Mr Hartmann, when do you think we’ll implement that recommendation?

The Vice-Chair: Mr Hartmann, will you please introduce yourself?

Mr Norbert Hartmann: I'm Norbert Hartmann, assistant deputy minister, business and finance. We are developing plans for year two and year three right now, and the recommendation for implementation is being developed in consultation with the education sector itself. Those consultations are not finished yet, so I can't give you the exact time.

Mr Marchese: But you're working on that specific recommendation with others?

Mr Hartmann: We're working with all the directors of education in the province to determine what their priorities are for year two and year three.

Mr Marchese: Sure. My point is that if we instituted that one, Christie would go, and you wouldn't have to pay him and I wouldn't have to criticize him every day. Wouldn't that be neat? That's what I'm saying. He could go tomorrow. Today, actually, if the Liberals get elected—where are they? They'll get rid of Christie, I'm sure, and we certainly will. That's what I'm saying. If we implement—and we're committed to implementing—the Rozanski report, we're saying that with that, Christie could go, and the budget problems would disappear—most of them.

So your answer is that you understand that, but what can you do? We've got to work it out. And Christie's got to stay. We've got to pay him the big bucks, with all the other humble assistants he's got.

Hon Mrs Witmer: I think what you've heard Mr Hartmann say is that there is consultation taking place with the directors of education in the province of Ontario, and over the next three years the funding was to flow and, obviously, priorities are being determined in consultation with our educational partners.

Mr Marchese: Of course. I understood the answer.

Hon Mrs Witmer: We have the entire province of Ontario, all of the students—

Mr Marchese: To worry about, of course. I know.

Hon Mrs Witmer: We need to make sure that they all have equal access to quality education.

Mr Marchese: Exactly. But that recommendation would help all boards, because they would be able to have 5% of their foundation grants, and it would help all boards across Ontario.

Hon Mrs Witmer: But we also needed money for salaries and special education and transportation.

Mr Marchese: Of course we would. No, that doesn't let you off the hook in other areas, of course.

Interjection.

Mr Marchese: It's so tiring.

Thank you, Mr Hartmann. I'm just going to move on.

Have you had an opportunity, Minister and Deputy and Mr Gooch—he's the finance person. Where is he? There you are. The Ontario Alternative Budget: Telling Tales Out of School—

Interjections.

Mr Marchese: You guys don't like him.

Interjection.

Mr Marchese: I could tell. I could tell by your reaction.

Mr Mazzilli: It's like a David Letterman type of thing.

Mr Marchese: Is that right? Mr Gooch, you don't feel the same way as the Conservative members do, do you? Mr Gooch? No comment.

Hon Mrs Witmer: A good, good person.

Mr Marchese: Mr Gooch is?

Hon Mrs Witmer: Yes.

Mr Marchese: Yes, of course. But you've seen this report, have you?

Hon Mrs Witmer: No, I'm sorry, I haven't.

Mr Marchese: Deputy, have you seen this report?

Ms Herbert: No, I haven't.

Mr Marchese: Would you like to see it?

The Vice-Chair: What report are you referring to?

Mr Marchese: This one, I will assure—

The Vice-Chair: I can't read that far.

Mr Marchese: It's called, The Ontario Alternative Budget: Telling Tales Out of School: How the Ontario Government is(n't) Funding Education, by Hugh Mackenzie. He's an economist, but you know, the alternative type.

Hon Mrs Witmer: Does he support any political party?

Mr Marchese: I hope he's a New Democrat, for God's sake.

But let's see how Mr Gooch—Mr Gooch, I want to read something for the record. You haven't seen it, have you? No.

For the record—and I'll go slowly. I've got a page and a half, or two. How many minutes do I have?

The Vice-Chair: You've got about four minutes. Please try to let me be part of this. You're having a discussion outside there. Can I direct some of this discussion here.

Mr Marchese: Yes, of course. Always through the Chair.

I will just read through this. It will take a few moments, but I'll pick up on it again when we come back another day.

Here we are.

"If you're going to control education funding using a centralized formula, you have to make sure that you keep the benchmarks that drive the formula up to date.

"All of Rozanski's recommendations flow from this basic message. Rozanski recommended: increases in funding to bring benchmarks up to date; annual reviews of benchmarks to ensure that they reflect current costs; new investments to address areas in which the funding formula was clearly inadequate; and periodic (every five years) reviews of the appropriateness of the benchmarks themselves."

You support all this stuff, because you said so.

"After an encouraging start—announcements of new funding totalling \$610 million within 72 hours of the release of the report"—and this is how great you are—"the government's response turned into an exercise in political spin." This is where they are not going to like it.

“Both before and after the release of the Magna budget, a steady stream of photo-op announcements has highlighted specific areas in which the funding formula was to be enhanced. In each of these announcements, the government claimed to be taking one more step toward full implementation of the Rozanski recommendations.” You admit to that, because you say so.

“When you look behind the spin to the numbers, however, it becomes clear that the government has in fact repudiated the Rozanski report’s central message.

“The funding numbers released in the March financial statement were the first hint that what the government had in mind was a great deal less than what Rozanski had called for. In its three-year funding projection, the statement revealed a third-year funding target of \$16.2 billion, \$1.5 billion short of the \$17.7 billion that would have been required for full implementation of the Rozanski recommendations.” I do this for the benefit of Mr Gooch, who will have to work out the numbers for you when we come back next week.

The Vice-Chair: It might benefit you that you have about another minute of so.

Mr Marchese: “Indeed, the government’s projections will leave funding of elementary and secondary education further behind Rozanski’s standard at the end of the three-year ‘phase-in period’ than it was when Rozanski was appointed to review the system in June 2002.

“However, it was only after the full package of funding detail (the general legislative grants, or GLGs) for 2003-04 was released quietly late on the eve of the Easter weekend, that the full extent of the government’s departure from Rozanski’s plan was revealed.

“A board-by-board and grant-by-grant analysis of the government’s funding announcement for 2003-04 shows a shortfall of \$1.4 billion compared with the amount that would be required for full implementation of the Rozanski recommendations.... If Rozanski’s benchmark updates were phased in over three years, as he suggested,” which you support, “the analysis shows 2003-04 funding \$666 million short of what would be required in the first year of the three-year implementation plan.”

The Vice-Chair: Mr Marchese, you make a wonderful presentation. Your time is up.

Mr Marchese: We’ll come back. In the meantime, to Mr Gooch, the deputy and the minister, it’s called “The Ontario Alternative Budget; Telling Tales Out of School: How the Ontario Government Is(n’t) Funding Education.” Get a copy.

The Vice-Chair: We are adjourned until next week, Tuesday, immediately after routine proceedings.

The committee adjourned at 1751.

CONTENTS

Wednesday 11 June 2003

Ministry of Education..... 'E-71

Hon Elizabeth Witmer, Minister of Education
Ms Sue Herbert, deputy minister
Mr Michael Kurts, executive director, communications
Ms Kit Rankin, director, curriculum and assessment policy branch
Mr Peter Gooch, director, education finance branch
Mr Norbert Hartmann, assistant deputy minister, business and finance

STANDING COMMITTEE ON ESTIMATES

Chair / Président

Mr Gerard Kennedy (Parkdale-High Park L)

Vice-Chair / Vice-Président

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gilles Bisson (Timmins-James Bay / Timmins-Baie James ND)

Mr Ted Chudleigh (Halton PC)

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gerard Kennedy (Parkdale-High Park L)

Mr Frank Mazzilli (London-Fanshawe PC)

Mr Norm Miller (Parry Sound-Muskoka PC)

Mr John O'Toole (Durham PC)

Mr Steve Peters (Elgin-Middlesex-London L)

Substitutions / Membres remplaçants

Mr Ted Arnott (Waterloo-Wellington PC)

Also taking part / Autres participants et participantes

Mr John Gerretsen (Kingston and the Islands / Kingston et les Îles L)

Mr Rosario Marchese (Trinity-Spadina ND)

Clerk / Greffier

Mr Trevor Day

Staff / Personnel

Ms Anne Marzalik, research officer,
Research and Information Services



ISSN 1181-6465

E-7

E-7

Legislative Assembly of Ontario

Fourth Session, 37th Parliament

Assemblée législative de l'Ontario

Quatrième session, 37^e législature

Official Report of Debates (Hansard)

Tuesday 17 June 2003

Journal des débats (Hansard)

Mardi 17 juin 2003

**Standing committee on
estimates**

Ministry of Education

**Comité permanent des
budgets des dépenses**

Ministère de l'Éducation



Chair: Gerard Kennedy
Clerk: Trevor Day

Président : Gerard Kennedy
Greffier : Trevor Day

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Copies of Hansard

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Exemplaires du Journal

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 17 June 2003

Mardi 17 juin 2003

The committee met at 1544 in room 151.

MINISTRY OF EDUCATION

The Vice-Chair (Mr Alvin Curling): We'll resume the hearing of estimates—

Mr Gilles Bisson (Timmins-James Bay): On a point of order, Mr Chair: I don't know why, but for whatever reason we ended up with the Ministry of Education being scheduled for estimates at the same time that we're debating a matter that deals with education in the House, and our critic needs to be there. According to the standing orders, you can't have the Minister of Education here at the same time as we're debating a bill in the House that deals with education, so I'm afraid this will not be able to go ahead.

The Vice-Chair: After consultations previous to your statement, it seems to me that we cannot proceed. My understanding is that the same issue is before the House now and some of the members who are critics of that are in the House and cannot be here also; it would cause a little bit of difficulty to be in two places at the same time. So we cannot proceed, in my understanding, with the estimates of today.

That leaves us, however, with time remaining in the estimates. We will have to resume tomorrow.

Mr Bisson: We can deal with that tomorrow.

The Vice-Chair: We can deal with that tomorrow. As it stands, we'll adjourn until tomorrow.

Hon Elizabeth Witmer (Deputy Premier, Minister of Education): I'd just like the record to show that we have, I understand, five hours and 20-some minutes left?

The Vice-Chair: Yes, but could we deal with that tomorrow, Madam Minister?

Hon Mrs Witmer: Right, but I just want the record to show that means we'll have to sit tomorrow, Wednesday, and next Tuesday, and I'm not available on Wednesday. It means our time goes into Wednesday, which means we won't complete estimates—

Mr John O'Toole (Durham): On a point of order—

The Vice-Chair: Let me just understand what the minister is saying first. We've got five hours and 20 minutes left. You said we won't be able to complete the

five hours and 20 minutes tomorrow. However, it goes over until the next week, on Tuesday.

Hon Mrs Witmer: It's next Wednesday I'm talking about.

Mr Gerard Kennedy (Parkdale-High Park): Chair, may I suggest—

The Vice-Chair: Just let us complete this, because I want—

Mr Bisson: Estimates are on Tuesday.

Hon Mrs Witmer: And Wednesday. We won't be done by next Wednesday, because we've got five hours and 20 minutes left. We can't possibly complete that in two days.

The Vice-Chair: Mr O'Toole?

Mr O'Toole: I would be interested in hearing what the Liberal education critic has to say, in the interests of accommodation.

Mr Kennedy: In order to accommodate the minister, the government may, by convention of the committee—not by its rules, but by convention—donate some of its time so that the minister and staff aren't brought back for the sake of 20 minutes. Speaking for our party, we would certainly find that amenable. We can either call a sub-committee meeting or we can agree to that here, but we wouldn't want to inconvenience the minister and staff for the sake of that time. That could come out of the government time over the next two days.

Mr O'Toole: If it came out of all parties' time, then I probably would agree. In the interests of making sure that everyone has equal time, and to me that's what's most important here—

Mr Kennedy: I'm just relating the convention, Mr O'Toole. If that's not agreeable, then it's not agreeable.

The Vice-Chair: Much of this can be done by unanimous consent. But let me say it again: since we cannot proceed, why don't we deal with this tomorrow?

Ms Caroline Di Cocco (Sarnia-Lambton): Mr Chair, if I could make a comment, this is in fact a closure motion.

The Vice-Chair: No, no. We have dealt with that.

Ms Di Cocco: It isn't? All right.

The Vice-Chair: We stand adjourned until tomorrow.

The committee adjourned at 1548.

CONTENTS

Tuesday 17 June 2003

Ministry of Education.....

E-95

STANDING COMMITTEE ON ESTIMATES

Chair / Président

Mr Gerard Kennedy (Parkdale-High Park L)

Vice-Chair / Vice-Président

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gilles Bisson (Timmins-James Bay / Timmins-Baie James ND)

Mr Ted Chudleigh (Halton PC)

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gerard Kennedy (Parkdale-High Park L)

Mr Frank Mazzilli (London-Fanshawe PC)

Mr Norm Miller (Parry Sound-Muskoka PC)

Mr John O'Toole (Durham PC)

Mr Steve Peters (Elgin-Middlesex-London L)

Substitutions / Membres remplaçants

Mr Ted Arnott (Waterloo-Wellington PC)

Ms Caroline Di Cocco (Sarnia-Lambton L)

Clerk / Greffier

Mr Trevor Day

Staff / Personnel

Ms Anne Marzalik, research officer,
Research and Information Services



E-8

E-8

ISSN 1181-6465

Legislative Assembly of Ontario

Fourth Session, 37th Parliament

Assemblée législative de l'Ontario

Quatrième session, 37^e législature

Official Report of Debates (Hansard)

Wednesday 18 June 2003

Journal des débats (Hansard)

Mercredi 18 juin 2003

Standing committee on estimates

Ministry of Education

Comité permanent des budgets des dépenses

Ministère de l'Éducation

Chair: Gerard Kennedy
Clerk: Trevor Day

Président : Gerard Kennedy
Greffier : Trevor Day



Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Copies of Hansard

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Exemplaires du Journal

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 18 June 2003

Mercredi 18 juin 2003

The committee met at 1534 in room 151.

MINISTRY OF EDUCATION

The Vice-Chair (Mr Alvin Curling): We will resume the estimates for the Ministry of Education. Just as a quick review, we have five hours and 21 minutes of estimates time left for the Ministry of Education. When we left off on Tuesday, we were just about at the rotation time for 20 minutes for the government side. I don't know if you want to comment, Madam Minister. Last time, you had raised a question in regard to the time you would be here beyond today and next Tuesday.

Hon Elizabeth Witmer (Deputy Premier, Minister of Education): As you know, Mr Curling, the estimates were to be completed today. We had 10 hours of estimates, so we had certainly planned for that, as had staff. Unfortunately, yesterday, unbeknownst to anybody, we brought all the staff over here and found out when we got here that there wasn't going to be an estimates meeting. Because of people arriving late for meetings and other things, it seems we have an extra 20 minutes. That means we're going to have to do estimates today and we're going to have to do it on Tuesday; however, for the 20 minutes or whatever is left over, if that needs to go on Wednesday, I will not be here. My deputy will be quite happy to be here, but I'm not going to be here.

The Vice-Chair: Are there any other comments on that? If provision is made that someone represents you for the remaining time, it will be up to the committee if they would like that. You don't necessarily have to be here, Madam Minister, for that remaining time.

Mr Rosario Marchese (Trinity-Spadina): I just want to say that if the minister is not going to be here, for our purposes it won't be as useful—not because we don't like the deputy or others.

Mr Ted Arnott (Waterloo-Wellington): You had your chance yesterday.

Mr Marchese: I had my chance? It wasn't my problem the bill came forward for closure. What are you talking about?

The Vice-Chair: Order. What are you saying, then?

Mr Marchese: If she's here Tuesday, then we'll be very happy to go through with the whole proceeding next Tuesday, but I'm not crazy about—

The Vice-Chair: But she won't be here on Wednesday.

Mr Marchese: Yes. Personally I'm not crazy about continuing without the minister here.

The Vice-Chair: Any comments?

Mr Gerard Kennedy (Parkdale-High Park): Only the point I made yesterday, Mr Chair, that if the government caucus wishes, it can normally accommodate the minister by relinquishing some of its time. That's how it has been handled in the past when there has been 15 or 20 minutes, but that's up to the government caucus. We would certainly agree to that, if that was something the government caucus wanted to do to not inconvenience the minister and the ministry. But again, I just put that forward yesterday as a suggestion.

Mr John O'Toole (Durham): I appreciate that. I think we're making progress here. My only observation, and perhaps suggestion, would be, how much time would be left after next Tuesday at 6?

The Vice-Chair: Roughly 20 minutes.

Mr O'Toole: Oh, good. Why don't we just forgo the 20 minutes and continue on with the next level of business? Would that be appropriate? What I'm saying is the inconvenience, the inconsiderate thoughtlessness of whoever raised the order yesterday, even though it may have been a government initiative to call the legislation—you could have at least given the ministry notice. You knew what order was being called. Do you know what I'm saying? The 20 minutes: I would make a suggestion for the sake of compatibility and getting along that we forgo, and that next Wednesday we start with the next ministry in the estimates process.

The Vice-Chair: There are two suggestions on the floor. There's one suggestion from Mr Kennedy, who is saying that the government side could give up their 20 minutes today and then they would forgo it on Wednesday. Is that what I'm hearing?

Mr Kennedy: Yes. We might wish, though, to take this to subcommittee, because we're eating up some of the time now when the ministry could be attaining its time. Maybe we could have a subcommittee meeting tomorrow and determine this, because otherwise we're just eating up more time. What was 20 minutes will become half an hour. We're starting at 20 minutes to 4, right now.

The Vice-Chair: Let me just settle this with you. So you're not in agreement.

Mr Kennedy: I am in agreement that at some point, whenever the government wishes, they can relinquish the

time the ministry has owing, and I think that would balance it out, as far as I'm concerned. The third party can speak for itself.

The Vice-Chair: Let me just say this: I don't want a long discussion on this, because the fact is that it seems to me the government is not willing to give up its time, as you asked the other time. So we will proceed, and when the time comes, if the minister is not here, she doesn't have to be here for the last part of the estimates, but her representative could be here on behalf of the ministry.

Just one more comment and then we'll proceed.

Mr Marchese: I just want to recommend that we meet next Tuesday and that's it.

Mr O'Toole: Good. I agree with Rosario. Let's call the question.

The Vice-Chair: There's no question to call on this.

Mr O'Toole: Yes, call the question, that we just finish the regularly scheduled rotation next Tuesday.

Mr Kennedy: We're into delay here, Mr Chair.

1540

The Vice-Chair: We're going to proceed with the estimates. When it comes to next Wednesday, then we will deal with that. The government side has about 20 minutes.

Mr O'Toole: Pardon me, Mr Chair: I am putting forward a question, a recommendation, a motion that would say that the estimates hearings for the Ministry of Education be completed at the end of the time allocated, which is normally 6 o'clock, next Tuesday.

The Vice-Chair: So you're putting the question?

Mr O'Toole: I've asked for that question.

The Vice-Chair: That's the first time you put the question. We'll have to have a discussion. Does anybody want to—?

Mr Marchese: No discussion from me.

The Vice-Chair: Any discussion, Mr Kennedy?

Mr Marchese: He didn't hear the motion?

Mr Kennedy: No, I didn't hear the motion.

The Vice-Chair: Do you want to state the motion again, Mr O'Toole?

Mr O'Toole: That we conclude the estimates hearings for the Ministry of Education next Tuesday at 6 o'clock, the normal end.

Mr Kennedy: With all respect, Mr Chair, that's not a legal motion because we're under orders of the House to hear this ministry.

The Vice-Chair: What's that?

Mr Kennedy: We have to hear the ministry for a certain number of minutes.

The Vice-Chair: In this regard, we'd have to have unanimous consent to have that motion. Do we have unanimous consent, as put forward by Mr O'Toole?

Mr Frank Mazzilli (London-Fanshawe): Mr Chair, is there unanimous consent for the government to give up their 20 minutes and conclude at 6 o'clock on Tuesday? Would I have unanimous consent for that motion?

Mr Kennedy: If I could speak to the motion, Mr Chair?

The Vice-Chair: The motion is that the government gives up its 20 minutes?

Mr Mazzilli: Gives up their 20 minutes today.

Mr Kennedy: I'd like to ask the government to amend its motion to say that the government will relinquish whatever time is still owing at the end of Wednesday, as anticipated by the clerk. That will make sure that will end the estimates properly.

Mr Mazzilli: On Tuesday?

Mr Kennedy: On Tuesday.

Mr O'Toole: For clarification, how much time would that be?

The Vice-Chair: There are five hours and 21 minutes remaining on the estimates of the Ministry of Education.

Mr O'Toole: So it would be 21 minutes?

The Vice-Chair: We are eroding the time now—

Mr Marchese: On a point of order, Mr Chair: I had the floor last Wednesday.

The Vice-Chair: You did and you concluded.

Mr Marchese: Sorry?

The Vice-Chair: It's finished. You had no more time.

Mr Marchese: I had 10 minutes of my 20 minutes. As far as I can remember, I thought I had 10 minutes.

Interjection.

Mr Marchese: I did my whole 20? OK, thank you.

Mr Mazzilli: Would I have unanimous consent for the government to give up 20 minutes or thereabouts, but the estimates would conclude at the end of Tuesday at 6 o'clock?

The Vice-Chair: Do we have unanimous consent that the government would give up the remaining time?

Mr Kennedy: They give up the balance of the times. If that's the understood meaning of the motion, I'm happy to agree with it.

Mr Marchese: The balance of the time. Whatever it means, whatever it is, right?

Mr Kennedy: It's probably 30 minutes now.

The Vice-Chair: So I have unanimous consent on that.

The government side has 20 minutes—

Mr O'Toole: An uncompromising opposition. I just can't see—it's discouraging to find—

The Vice-Chair: Let's proceed.

Mr Marchese: It's not so bad, John.

Interjection.

The Vice-Chair: Is that a part of your 20 minutes, Mr O'Toole? Who's on here?

Mr O'Toole: There has been nothing but badgering the minister for two days. I'm just tired of it.

The Vice-Chair: You're on.

Mr O'Toole: I'm on? Thank you very much. I certainly want to share my time with the other members of this side. How much time do we have?

The Vice-Chair: You mean now? You've got about 19 minutes.

Mr O'Toole: Ninety?

The Vice-Chair: Nineteen.

Mr O'Toole: On this side?

The Vice-Chair: This said moment.

Mr O'Toole: Plenty of time.

I want to follow up on Dr Rozanski's report. I was, first and foremost, impressed with the prompt response of you, Minister, and our Premier to an issue that of course you, as Minister of Education, initiated—we, as government, had committed to review the fairness of the student-focused funding model—by the instant response and the clear evidence that you had listened and worked co-operatively to improve education, not just in Toronto but indeed across the province of Ontario, I really think that attentiveness—and relentless dedication, is how I would describe it. For you personally, I want to be on the record as complimenting you. The leadership, the facilitating role and the listening, consultative role that you've taken must have impressed most, if not all, of the teachers and their representatives in the province. More importantly, I think we are putting the students first for once in a long, long time.

We realized too when we were looking at this whole thing that the changing demographics, the enrolment, is one area. Between 1985 and 1995, enrolment was increasing only by 16%, while school board funding—and that's the history I'm familiar with—was increasing at an incomprehensible rate of 82%. That's the history. We're trying to create some stability for all of us. I think all members here, in fact even Mr Marchese, would probably agree that the Fair Tax Commission and the Royal Commission on Learning was put in place primarily to deal with this wildly unstable environment of funding education. David Cooke, to his credit, tried to deal with that "social contract," and I might say unsuccessfully.

It's interesting, despite the influx of irresponsible spending and not the corresponding increase in the number of students, that the achievements were down as well. It looked like there was no correlation between the investment and the outcomes. In fact, test results at that time were very topical and quite controversial when we looked at ourselves as a province and our performance in international testing, which is not just new to Canada, I might say, or to Finland, Sweden, Great Britain or other countries. Our students simply weren't keeping up.

I really have to go back and look at the thoroughness by looking at the whole governance structure from the Sweeney report and how we looked at the number of school boards and the excessive amount of spending. I think it's appropriate for me, personally, to stand up and say, "Look, there were 120 boards, and we were spending \$14 billion or just under \$14 billion—\$12.8 billion or something like that." Just put it in simple numbers. I always thought of it this way: it's \$12 billion, two million students, \$6,000 a student. If there's \$12 billion and we're only spending 10% on administration, that's \$1.2 billion. We eliminated half of the boards. We should have saved half that money, which would have been \$600 million roughly. Do you understand? We should have saved \$600 million. We eliminated half the boards, so half the administrative waste should have been eliminated. Sadly enough, it wasn't eliminated.

We went on and looked at the curriculum reform and introduced a number of the Royal Commission on Learn-

ing's recommendations. Special education was given some specific allocation of funding for the first time ever. Then Dr Rozanski, an eminent educator, came forward and left an update saying, "We've got the new curriculum. We've got strengthening the whole governance model of the education system; strengthening the student-focused funding model." The comment that I read from Dr Rozanski was quite supportive. His general comment was, "You're on the right track."

I've outlined my sense of this as representing the people of Durham and paying very close attention for a number of years—probably longer than you, Minister, but I'm much older too, so that explains that part. I know that you are always interested, and I'd like you to respond to the summary and Rozanski. What are the next steps?

1550

Hon Mrs Witmer: As you know, our government during the past few years has taken steps to reform the education system to ensure that each student in the province, no matter where they live, has the opportunity to receive equal, fair and stable funding. That was why we introduced the student-focused funding formula in 1998. Before that time, depending on whether you were an assessment rich board or an assessment poor board, students were receiving different amounts of per-pupil funding, depending on whether or not they lived in a wealthy or less wealthy community. So the funding formula was introduced, and certainly I think enough time had elapsed that a year ago our government decided we should review the funding formula to see if it was meeting the objective of making sure that it was meeting the needs of the students in Ontario and that indeed the funding was fair, it was equitable and it was allowing for stability within the classroom.

We asked Dr Rozanski, a man who has long demonstrated a passion for students and education, to do the review. I'm very pleased to say that as a result of his consultation, which was very extensive—he was extremely well received; he was an excellent listener—one of the first responses that he had for the government was to share with us that certainly the funding formula was working. In other words, he validated the decision that our government had made that this was the appropriate mechanism to flow funding to the students in the province. He stated that because in meeting with people throughout the province there was pretty well unanimous agreement that this was a good funding formula; it was creating equity of resources and support to students.

We wanted to make sure, however, that not only did we have this validation of the funding formula, but that the recommendations he made, which were going to make the funding formula even better and which would make for an even stronger public school system in Ontario, were implemented.

If you remember, Mr O'Toole, within three days we actually announced funding as a result of his recommendations. We announced funding immediately of \$340 million for the 3% increase to the salary benchmarks,

\$250 million for special education and \$20 million to improve transportation. This was all part of a total of \$610 million that was announced three days after he reported in December. That was very significant.

We didn't stop there. We continued to move forward. We made another commitment in March of this year of \$625 million. There was \$66 million over three years for classroom resources such as textbooks, learning resources, classroom supplies and computers. There was \$50 million to support a rural education strategy. In fact, Dr Downey at the present time is doing further consultation to make sure that we flow that money to where it is needed. There was \$24 million to help address the higher costs that schools in small, rural and northern communities have, and also boards with declining enrolment. The unfortunate fact of life in the province is that enrolment is declining this year by about 2%. I would just hasten to add that despite the fact that it's declining by 2%, we're actually adding 8.8% more this year. That's an increase of \$1.1 billion this year over last year. So that's important, but let me continue.

We also announced \$50 million for students at risk, those students who obviously are struggling. It's an investment to support students in grades 7 to 12. There is \$75 million for school renewal to address pressing renewal needs. There is another \$20 million for transportation, so that's now a total of \$40 million, and another \$340 million on top of the first \$340 million for salaries for teaching and non-teaching staff, another 3% to the salary benchmark.

So you can see that we have accepted his recommendations; we agree with his recommendations. He said, "Flow \$1.8 billion over three years." We have indicated we're prepared to flow about \$2 billion, and I'm sure that we will exceed that amount. Not only that, people have been asking us for multi-year funding for a number of years now; they need to plan. So that has become a reality this year in the budget. We've said, "We will. We've heard you." Just as we heard the request to review the funding formula, we heard this request. I can tell you, we are going to be investing about \$2 billion over the next three years, and we are on track to not only meet Dr Rozanski's recommendation but to exceed it.

I can tell you that the increase this year to which I just referred, the \$1.1 billion or 8% increase, is the largest year-over-year increase under this government. It's a tremendous amount of money. If you take a look at the headlines these days in the newspapers throughout Ontario, boards are extremely happy with their allocations this year. They have extra money for special education teachers and resources for students. Certainly it's quite different. We're going to continue to work with our partners: our teachers, our trustees and our parents. We want to make sure that we build on this strong public education system in Ontario, that we continue to do everything we can.

The next steps over the next three years are to implement all those recommendations I've talked about and make sure we do everything we can to provide the best possible education to our students. But at the same time,

we're going to continue to consult with our stakeholders, because the reason we've been able to move forward on these recommendations and respond to the needs of students is that we're working in partnership with teachers, trustees and parents in order that we can provide students with the best possible education.

As you know, recent results demonstrate that our students are moving to the top of the class as a result of the new standards, the new curriculum and a similar marking system across the province. Everybody knows what to expect. Do you know what? Our students are responding. That's thanks to the hard-working teachers, the parental support and the hard work of the students themselves.

Mr O'Toole: I'm continuously impressed with the insights you have and with the large numbers that are being moved around. Sometimes in the media this still plays out as kind of a negative thing—it really does. In all honesty, even with the three boards that literally for political reasons, I believe, refused to balance their budgets, for a political agenda, and having been a trustee for two terms—I always like to review this because often there are parents listening, and I'm a parent. My wife is a teacher and I have five children. I watch this because I think education is the single most important contribution to each individual's life. It's the empowerment and the enrichment.

I would argue with you that there's simply not enough money in it, but you have to look at the economy. Do you know what I mean? I'm sort of saying that I'd love to see more money in education. I don't want Gerard Kennedy to think he's the only one, even though he was educated in a private school. I wasn't. I came from the separate school system. We were the poorest funded in Ontario. That's why I became a trustee. My father had been a trustee. When they got equity in education, in my boards, the two Catholic boards in my area—I have the numbers here, and I don't want to bore the public. They have more money and yet OECTA, the Ontario English Catholic Teachers' Association, is fighting you every step of the way on every reform to help children. The union has spoiled it.

My wife is a teacher, as you know, and my middle daughter is a high school teacher. She's now teaching in London, England, because they made a mess of her life because her father was John O'Toole, a provincial member of the Conservative government that had the courage to reform education for children so they would have equal opportunity in the world. They've received more funding, and secretly they accused the Toronto separate board chair, who is actually on the Liberal riding executive of Greg Sorbara, I think, or one of the leaders in the Liberal opposition—

Mr Marchese: Cordiano.

Mr O'Toole: Cordiano's riding, yes. Thank you very much, Mr Marchese. He watches this very closely too as a former trustee.

1600

I guess, technically, I would just say that he was fighting for the students. He was sick and tired of OECTA

working to rule, spoiling the basketball games, the extra-curricular and the enrichment, just spoiling it. Let's face it. I have no problem with them being on strike all summer long, but I do think that Canada and Ontario are in a better position. I think that you should feel, as a former educator and school trustee—I want to be on the record publicly as being so grateful for the leadership and commitment. Despite the criticism from OECTA, OSSTF has gone quiet. I'm not exactly sure; maybe it's because Earl Manners is running for the NDP, but they've gone quiet. I think we are on the right road. Many educators are coming around about the union and are telling me personally—I believe that we want to, and I know you do, respect them a lot more in our language and communication, recognize teacher excellence and get rid of the—in every workforce, including MPPs, there are slugs.

The Vice-Chair: Two minutes, Mr O'Toole.

Mr O'Toole: I want to make sure I leave time for my friend and partner here. All of the things I've said, rather emotionally and totally unscripted, are to compliment you on your leadership and commitment to education. Keep up the good work and keep the students foremost in your mind.

Hon Mrs Witmer: Thank you.

Mr Arnott: I have approximately two minutes left, Mr Chair?

The Vice-Chair: A little less than that.

Mr Arnott: I appreciate the time my colleague has offered me. I want to use the remaining time to make a point.

At a previous meeting of this committee—I think it was last week—the Liberal education critic made a statement when he said to the minister, "When you were chair of the school board in Waterloo region, you sponsored a resolution against funding private schools." He went on to say, "Have you changed your mind against the funding of private schools since you were chair of the Waterloo board and passed a resolution against funding private schools?"

I've known the minister for 13 years, and prior to that I was well aware of her outstanding work as chair of the Waterloo regional school board. I don't recall her making a statement of that type and I would challenge the Liberal education critic, if he has some evidence of this charge he's made, to produce it to the committee.

This particular member, as we all know in the House, is sometimes prone to exaggeration, to say the least. Every time he does that, I'm afraid it impacts negatively on his credibility. I hope that if he has evidence of this charge, he would table it at the committee. If he has no such evidence, I hope he will apologize to the House for making an erroneous statement to this standing committee. That's the point I wanted to make. If the minister chooses to respond, I suppose she can.

The Vice-Chair: I presume when the time comes around for Mr Kennedy to respond, he may or may not choose to address that at that time.

Mr Kennedy: I'm glad to see that the members opposite would like to take up so much of their time with consideration of me. I'm afraid I won't reciprocate.

Minister, I want to ask you about the Rozanski recommendations. I want to know specifically if you could table for the committee today a schedule of the details of how your government is meeting the specific recommendations Dr Rozanski made. Do you have such a schedule or table or something of that nature that could show us specifically which of the recommendations that you feel you've endorsed and any that you haven't? Is there something like that that could be tabled for the committee today? Something written is what I'm asking for. Is there something of that nature?

Hon Mrs Witmer: Certainly, Mr Kennedy, and I hope you will table the resolution Mr Arnott has referred to as well.

Mr Kennedy: I'll be happy to do that, Minister, but my question is about the Rozanski summary. Is it available?

Hon Mrs Witmer: We will certainly try to make that available.

Mr Kennedy: Any idea, Minister, how quickly that could be available? Could it be available for this discussion?

Hon Mrs Witmer: I'll ask the deputy.

Ms Sue Herbert: We'll obviously go back and look to see what we have that's going to be available.

Mr Kennedy: Having made the request before in writing to the ministry, about a month ago, I was hoping it might be available for these discussions. If it is, I'll certainly look forward to utilizing it.

In the absence of that, I want to ask the minister, are there any other responses to the Rozanski recommendations that you are planning to make at this time? Are there any other announcements, any other commitments that you as Minister of Education or your government in general are prepared to make in direct response to the Rozanski report?

Hon Mrs Witmer: I think we've indicated that we're going to be responding to the recommendations over the course of the next three years, so between now and that time period we will be specifically making further announcements.

Mr Kennedy: Then I'm wondering, Minister, if you could help reconcile some of the statements you made again today and at other times, and also repeated in the throne speech and so on. On the one hand, you're saying there is a commitment on your government's part to implement all of the Rozanski report. You're suggesting you have committed as much money as Dr Rozanski has asked for. You made that statement in Hansard on May 27, you made it in the Kitchener-Waterloo Record on March 28, and you made it, I believe—if I'm paraphrasing, I apologize—again today when you said, "Dr Rozanski asked for \$1.8 billion, and we're committing \$2 billion."

The inference you're drawing for the people of Ontario is that you have already made commitments that

either match or exceed the totality of Dr Rozanski's recommendations. Is that a correct inference to be drawn from what you've said at those various times?

Hon Mrs Witmer: We've made it very clear that we recognize the request that was made by Dr Rozanski, and we are committing about \$2 billion.

Mr Kennedy: So would you care to respond to the inference you've made at this and other times that you have responded in whole to Dr Rozanski's report? You have used that \$2 billion against a number from his report, \$1.8 billion, to suggest that you have met or exceeded all of his recommendations. I'm wondering if that's a fair inference to be drawn from what you've been saying.

Hon Mrs Witmer: We have indicated our endorsement and support for the report. We have not yet implemented all of the recommendations, as I have said repeatedly. Dr Rozanski recommended that they be implemented over three years. We endorse his report, and our plan is to implement the recommendations over three years.

Mr Kennedy: Let me ask you about that, Minister. Essentially what you've done is you have made commitments to less than one third of Dr Rozanski's report, over any year, in fact. I want to ask you if you recognize a distinction. Dr Rozanski made a set of recommendations for benchmark changes and for investments. They total \$1.7 billion, and then by the time this year comes around, there's another \$70 million to be added, for an approximate \$1.8 billion.

Do you recognize those recommendations as separate and distinct from any annual cost pressure or salary increases? Do you see the \$1.8 billion as separate and apart from the salary and cost increases that he also recommended should be made?

Hon Mrs Witmer: I'll ask Mr Hartmann to come up with Mr Gooch and respond to the request for further information and detail.

Mr Kennedy: I'm not requesting more detail, Minister. I'm asking if you personally recognize a distinction on that principle. If I don't get an answer, I'd like to move on.

Hon Mrs Witmer: Mr Hartmann is quite happy to respond to that particular question.

Mr Kennedy: Minister, unfortunately for Mr Hartmann—because I know he'd be happy to assist us in any of the detail—I'm asking a general question. I'm wondering if you personally draw a distinction between the catch-up recommendations that Dr Rozanski made—for example, in table 1.1, appendix I, of the report—and the annualized salary and cost pressure increases, if you see those as different recommendations.

Hon Mrs Witmer: Mr Chairman, is there some part of our endorsement that the Liberal critic for education doesn't understand?

Mr Kennedy: Minister, if you don't recognize the difference, then you can get away with some of the statements that you've been making. You've been saying \$2 billion, when, unless you're prepared to engage this par-

ticular question, it could easily be seen that that statement would end up misleading the public—perhaps not intending to. This is your chance to clarify.

There is a request from Dr Rozanski to provide basic services to students that are missing, as of August of last year, of \$1.7 billion, becoming \$1.8 billion by August of this year. He said explicitly that those should not include any responses for cost pressures or inflation on an annual basis. I'm asking you, as the Minister of Education, do you recognize that distinction drawn by Dr Rozanski or not?

Hon Mrs Witmer: Mr Hartmann would be happy to respond to the question if there's some need for further detail. Again, I don't know what part of the endorsement the Liberal critic for education doesn't quite understand.

Mr Kennedy: Minister, I wonder if the clerk could bring you this table and maybe we could sharpen the discussion a bit. It is a political answer, and handing it off to the officials doesn't give the accountability the people of this province deserve. I have copies for everyone here.

What I have as a table, in front of you shortly, is this exact distinction: the catch-up that Dr Rozanski asked for. His report said you're underfunding Ontario students to the tune of \$1.7 billion, and his table 1.1 says exactly how much per grant should be put in.

1610

Let me just refer to the first line, foundation grant. He requested \$477 million. You have committed to \$66 million over three years. That's only 14% of what he was looking for. That's the specific grant that would bring back music teachers, phys ed teachers and smaller class sizes and start to address some of the very specific needs in classrooms.

Minister, you haven't responded to this specific request and I'm wondering if you would care to share with us why it is not important to you that there be quality teaching in the Ontario classrooms. Can you respond to that?

Hon Mrs Witmer: I would refer the member to the multi-year budget process that we have set in place and, again, if he would like some further detail, Mr Hartmann is quite prepared to respond.

Mr Kennedy: I have paper F from the budget process in front of me here, and what it shows is exactly what I'm asking you, as Minister of Education, to respond to. It shows very clearly that your commitment over the next three years is for only \$500 million next year, \$500 million the year after that, and \$400 million the year after that. That's what budget F says. It's shaping up very clearly that that's not enough money to deal with Dr Rozanski. You simply do not have enough commitment from your cabinet colleagues, from the Premier, to deal with Dr Rozanski's request.

I have in front of me a copy of Dr Rozanski's request, line by line, by foundation, by special education, by language, and I'd like to ask you specifically why you've rejected or failed as of yet to respond to these specific recommendations. You've acknowledged earlier that your response to Rozanski is incomplete, but I'm won-

dering, on these specific lines, if you could tell us why, for example, you don't believe the foundation grant should have been caught up. Obviously, you're not on track to respond to that. You don't have the money put aside.

Can you tell us why? It's the biggest single recommendation he made—\$477 million—and you've only committed to \$66 million. Minister, would you like to tell us why you won't increase the foundation grant that Dr Rozanski asked for?

Hon Mrs Witmer: Again, we have endorsed the recommendations. We are going to be implementing the recommendations over the course of the next three years. If the member would like further detail, Mr Hartmann is prepared to be responsive.

Mr Kennedy: Minister, are you saying that—

The Vice-Chair: Just one minute, please. May I just ask, Mr Kennedy, will you be prepared for Mr Hartmann to give a comment? If you find it not informative, we can move on. Because the minister—

Mr Kennedy: I was hoping very much for the minister's opinion. These are very essential questions. They're political questions, and she is the Minister of Education. I was hoping she might answer the question, Mr Chair. I have had the benefit of a briefing from ministry officials and I was hoping the minister might answer the question.

The Vice-Chair: I hate to interfere at this time, but the fact is that it seems to me the minister has repeatedly stated the same thing and asked if Mr Hartmann could say something. Within his statement, if there is anything there—

Mr Kennedy: Mr Hartmann, would you care to tell us why the minister won't authorize or didn't fight for any money for the foundation grant? Would you care to give us that insight, in the minister's silence?

Hon Mrs Witmer: Mr Chairman, with all due respect, I don't think there's any point in having a blame game in there. If you want to ask your question, Mr Kennedy, go ahead and ask it.

Mr Kennedy: I've done it, Minister, and you've refused to answer on three occasions. If you continue to waste this committee's time, that's your choice, but I'm looking for an answer.

Hon Mrs Witmer: You have been given answers. If you don't like the answers, that's too bad.

Mr Kennedy: Minister, your answer is not to the question. It brings disrespect on your entire ministry. You have a straightforward table in front of you. It asks you about something vitally important to the students of this province about their teaching. You claim to endorse the Rozanski report and yet your answers today turn that into a joke. The Rozanski report is about serious services that students don't have today.

You can either stand up and do your duty and respond to those questions or, if you like, defer to your officials, but the people of this province deserve to know why you've rejected some of the recommendations that Dr Rozanski put forward.

Hon Mrs Witmer: Mr Chairman, with all due respect, we have indicated that we have endorsed the Rozanski report; we have indicated we're going to be implementing the report over the course of the next three years. I'm not quite sure what it is that the member, with all due respect, doesn't get.

Mr Kennedy: Well, Madam Minister, it is disrespectful to me as a member and to anyone interested in these proceedings that you won't answer a direct question about a \$477-million recommendation. Your blanket endorsement doesn't add up to very much. You have committed on paper, through your press releases, \$529 million against a deficit that the children of this province have of \$1.7 billion. That's not a commitment.

Hon Mrs Witmer: I would just remind the member that I see \$1.6 billion being promised by your party over the next four years. We have committed \$2 billion over the next three years.

Mr Kennedy: Minister, you're mixing apples and oranges. You're talking about cost increases that have nothing to do with our commitment. Our commitment is over and above; yours isn't. Right now, I'm looking at the chart that Dr Rozanski recommended. It has on it very specific recommendations that many parents and many children around the province depend upon.

There's a very specific question on the table: will you answer why the foundation grant recommendation has been ignored by you, or do you have some other expectation that you'd like to put on this? You're saying that you're only going to put forward 14% of the dollars Dr Rozanski said are needed for the foundation, for the basic education of every student in this province. You're denying this, and I think you have a right and an obligation to answer why you're denying these dollars to these children.

Hon Mrs Witmer: If I recall correctly, I think the \$1.6-billion commitment was made prior to the release of the Rozanski report, so I'm not sure that it's additional money.

Mr Kennedy: Again, Madam Minister, I'd like you to address the question of the foundation grant. Will you do that? If you won't, will you answer the question about the \$107 million that has yet to be committed in special education: the structural money to catch up the benchmarks in special education, the \$88 million for that, as well as the \$19 million that Dr Rozanski said should be in the SEPA grant. Will you tell us why those dollars have not received your endorsement, or have you been unable to convince your cabinet colleagues that that should be put back into schools? Let's be clear, Minister: the Rozanski report caught you. It caught the entire Harris-Eves government. You took over \$2 billion out of schools, by very common calculation, and Dr Rozanski says you have to put back \$1.7 billion. This is not an option; this is not you being nice and generous.

Minister, will you answer specific questions: the foundation grant for teachers—the most essential component—will you tell us why you won't do that?

Hon Mrs Witmer: With all due respect, we commissioned Dr Rozanski to give us recommendations as to

how we could invest more money in the educational system. For the member to say that he "caught" us or anything else is misleading and inappropriate. We asked for the review.

Mr Kennedy: Well, here's what he had to tell you—

The Vice-Chair: Order. I've heard two kind of accusations. I'd rather we didn't use the word "misleading." Mr Kennedy mentioned something like that, and the minister—

Mr Kennedy: I was careful to say we didn't want it to be misconstrued. I've not said that the minister is misleading; I'm asking the minister very direct questions that she is avoiding. I'd enjoin your assistance, Chair, in having her say, I guess, that she doesn't want to answer them—that she's afraid of these particular questions—or that for some reason she doesn't want to answer why she's failed to get these dollars for the kids of this province.

Minister, it's exactly the chart that Dr Rozanski gave you in December. It's the one that you said you would persuade your cabinet colleagues: "It's important to make sure that we support students. We're going to do exactly what Rozanski has asked us to do." Right in front you, Minister, line by line, is what Dr Rozanski has asked you to do. You commissioned the report because the parents and other people in this province forced you to, because the inadequacy was making boards go bankrupt across the province. Now they're out there treading water, and they want to know, is there a serious interest here in doing the whole Rozanski report, or is this just pre-election show business? Which is it, Minister? Are you going to address the foundation grant or are you not?

Hon Mrs Witmer: Mr Chairman, I would just like to share with you some of the comments that were made as a result of our announcement.

Annie Kidder, April 2003: "On April 11, the Minister of Education released grants to school boards that included an increase. The increase will be sufficient to cover inflation and salary increases."

Lynn Ziraldo, Chairman of the Minister's advisory council on special education, December 12, 2002: "This announcement," meaning special education, "will have a significant and positive impact on the delivery of special education services and programs and will assist boards in meeting the needs of all students with special needs."

Bill Bryce, December 12, 2002—

Mr Kennedy: Minister, with all respect, could you please use the government's time to read whatever quotes you like.

Hon Mrs Witmer:—"The new funding announcement will help us address the shortfalls in that area."

Mr Kennedy: I know you're trying to avoid the answer, Minister, but you have not addressed the foundation question. There's \$477 million recommended. It's the first line, the first recommendation. Your government has only announced \$66 million in response. You're avoiding 86% of what Dr Rozanski said is needed for the basic foundational education of children in this province.

1620

I'm asking you on behalf of children and parents and teachers and some of the groups out there who are hopeful, but they're getting less hopeful by the day because they hear nothing from you, no straight answers. Minister, the foundation grant: do you agree with Dr Rozanski's recommendation? If so, why is it you haven't made any substantial commitment to see it implemented?

Hon Mrs Witmer: Again, I'm not quite sure what the member does not understand. Our government has endorsed the recommendations. We are moving forward over the course of three years to implement the recommendations. There is multi-year funding that will be provided to school boards, and we have made a commitment already of about \$2 billion. I can tell you that we have been very, very responsive, and we have been very, very quick in responding to the recommendations of Dr Rozanski.

Mr Kennedy: Well, you've not been quick in responding to my question. For the sixth time you've refused to address the most basic question. Why can't you address the foundation grant? Alternatively, if you want to claim the \$2 billion, then why don't you tell the people here assembled what you mean by that? You're including money that you gave before the Rozanski report. That was already included. You're including money that was given—and I have it down on this table in front of you, as keep-up.

The money you gave for salaries—let's refer to the Rozanski report. Did Dr Rozanski intend the money for salaries to be included? Here's what he said on page 23: "I estimate that the ... benchmark costs ... will total \$1.08 billion, excluding the additional cost of updating salaries and benefits...." Minister, let me ask you a very direct question: does the \$2 billion you're claiming happen to include the updating of salaries and costs? Does it, for this year and for last year? Minister, do you understand that question? Is it very clear?

The Vice-Chair: Give her a chance to respond.

Hon Mrs Witmer: We have committed to the recommendations. We've endorsed the report, unlike your leader, who said on December 10 when he was asked by Christina Blizzard, "So you're committing to everything in Rozanski's report?" and he said, "No, I didn't say that." Well, I can tell you that we have endorsed the recommendations. We are going to be moving forward over three years, and we have made a commitment.

Mr Kennedy: Minister, you give no such commitment. You've made no commitment.

The Vice-Chair: Thank you very much. That concludes the—

Mr Kennedy: Here is \$1.2 billion you haven't committed to.

The Vice-Chair: Mr Marchese, you have 20 minutes.

Mr Marchese: I will get back to this, by the way, just as a reminder. I read from this last time in the last 10 minutes I had. Evidently, I thought I had 10 left, but I didn't.

The Vice-Chair: My, how time flies when you're having fun.

Mr Marchese: I know.

It's called The Ontario Alternative Budget—Telling Tales out of School. You might have had a chance to pick up a copy; I'm not quite sure.

Hon Mrs Witmer: No, we didn't.

Mr Marchese: You didn't. Oh, well. I know, time isn't always—

Hon Mrs Witmer: I think Mr Mackenzie is one of your supporters.

Mr Marchese: I hope he is. I'll get back to that report, because there's a lot of interesting stuff. You see, I'm not very smart, but Hugh is—

Hon Mrs Witmer: Do you know what, Mr Marchese? I think you're very clever.

The Vice-Chair: There you are.

Mr Marchese: That could be, but I want to ask a question before I get to that, because I don't want to forget it; we're running out of time.

The Metro separate school teachers were locked out for 12 days, and they're very curious to find out how much money was saved or collected by the province or the school board. Do we know?

Hon Mrs Witmer: No, Mr Marchese. We don't have that number yet, but obviously there will probably be some savings.

Mr Marchese: OK. So the province collects this money, keeps this money, or not?

Hon Mrs Witmer: I'm going to ask the deputy to respond.

Ms Herbert: In a situation like this, Mr Marchese, what happens is that the board reports to the ministry the cost savings associated with the strike. It can propose a plan for how that money is utilized, and the ministry looks at that plan. I would tell you, just to give you a sense of what's happened in the past, that in the last situation we were in like this, I think the savings were turned to the ministry. I think I'm correct on that.

Mr Marchese: So any board can propose a plan on how that money could be used, and in the past boards didn't propose a plan? The money went straight to the province. Is that what I understood?

Ms Herbert: No. Boards may propose a plan or may not.

Mr Marchese: But you said to me that on past occurrences, the province kept the money. Isn't that odd.

Ms Herbert: In my recollection, it is normal that the grant payments are returned to the ministry.

Mr Marchese: Ah, normally, they are returned to the ministry. But a board, any board, under those circumstances could propose a plan that you would review and then you would say, "OK, it sounds reasonable. We would spend that money this way or not."

Ms Herbert: Generally, what happens is that the money comes back to us but they have to offset additional costs. So if they've incurred costs in a strike situation, they will propose a plan that takes their additional strike costs and proposes a payment system out of their savings. That's what they have to present to us.

Mr Marchese: The plan would include what costs they might have had as a board because of this, and then you might say, "OK, we might recompense you for that"?

Ms Herbert: Out of your cost savings.

Mr Marchese: Out of the \$13 million in savings.

Ms Herbert: If they saved \$10 million and they incurred costs by making these among the staff—

Mr Marchese: They could deduct. Right.

Ms Herbert: —of \$2 million, then they may.

Mr Marchese: But they couldn't propose the use of the other money in terms of how it could be used for the boards, students, teachers; or could they?

Ms Herbert: No, they can't.

Mr Marchese: They can't. So there we have it. The money doesn't go back to the board, but it can propose or suggest a plan or at least say, "Here are our costs incurred," and the savings would be from whatever money was saved from the lockout of those 12 teachers. OK. I think that's pretty clear.

Back to the report, the Ontario Alternative Budget. He's an economist, you see, and I'm not. I'm not very good at numbers, I really am not, so I have to refer to people like him, because he's better at it. He said—and I'll go slow, because we've got 20 minutes; we'll take our time with this:

"Rozanski made" a number "of recommendations and called for substantial reinvestment in public education" etc. "If you're going to control education funding using a centralized formula"—which you were using; you don't deny that—"you have to make sure that you keep the benchmarks that drive the formula up to date." You probably agree with that too, right? I suspect you would.

By the way, before I get into that, you said that you will continue consulting. What kind of consulting are you going to do that hasn't already been done?

Hon Mrs Witmer: There were some further recommendations that had been made by Dr Rozanski regarding governance. We're presently consulting on French language and special education.

Mr Marchese: Because we didn't consult enough on special ed through Dr Rozanski?

Hon Mrs Witmer: Do you know what, Mr Marchese? I think you always need to continue consultation.

Mr Marchese: Oh, sure.

Hon Mrs Witmer: Just, as you know, we're reviewing the curriculum. We're going to be starting in the fall with the math curriculum. We've got to make sure that we are responding.

Mr Marchese: No problem, except I recall you saying that Dr Rozanski was thorough.

Hon Mrs Witmer: He was.

Mr Marchese: He consulted with thousands of people, probably. I don't know how more thorough it could be, but there are still further consultations in some areas he touched on.

Hon Mrs Witmer: That's right. That's why we're doing the rural strategy consultation under Dr Downey right now, in order to best determine how we flow the \$50 million.

Mr Marchese: But we wouldn't be reconsulting on the same issues, obviously.

Hon Mrs Witmer: No.

Mr Marchese: Because we've done enough, right?

Hon Mrs Witmer: He has made some basic recommendations, but as you can appreciate, it was such a comprehensive and large review of the whole formula, there were some specific areas that he thought required more specific consultation with those specific stakeholders.

Mr Marchese: I got the impression from other people who have spoken to ministry staff that we were going to reconsult, again, from the beginning, and I thought, good heavens, how exhausting that would be. Anyway, I'll wait for you.

Hon Mrs Witmer: All right. Did you have a further question?

Mr Marchese: No, that's OK. I just made a comment. You let me know when you're busy having to consult and I'll just stop.

"All of Rozanski's recommendations flow from this basic message. Rozanski recommended: increases in funding to bring benchmarks up to date." We agree with that, right? You support the recommendations. New Democrats certainly do, by the way.

1630

Hon Mrs Witmer: Yes. We've endorsed the recommendations.

Mr Marchese: But the specific point about this one, "increases in funding to bring benchmarks up to date": you support that, right?

Hon Mrs Witmer: We've supported his recommendations. We endorse—

Mr Marchese: Right. And you support "annual reviews of benchmarks to ensure that they reflect current costs"? Because that's what he recommends as well.

Hon Mrs Witmer: Yes. I think you need to continue to take a look at economic growth, any federal support, and you need to keep taking a look at where things are at.

Mr Marchese: Economic growth and federal support?

Hon Mrs Witmer: Yes.

Mr Marchese: Gee, you never said that when we were in power, and we had a recession. Do you remember that?

Hon Mrs Witmer: I remember the recession.

Mr Marchese: I remember when we were there, and Stockwell—I don't think you said it, actually.

Hon Mrs Witmer: I don't think I did.

Mr Marchese: But you remember Stock and the Premier and Gary Carr who used to say, not to me but to others, "You've got the wheels. You don't have a revenue problem; you've got a spending problem." Do you remember that?

Hon Mrs Witmer: I do.

Mr Marchese: Right. And you used to say, when we used to attack the federal government, both Tories and Liberals, because they were both in power—and we were in an economic recession. We were saying, "Please don't cut us off. We need your money." And do you remember

your people saying, "You haven't got a revenue problem; you've got a spending problem"? Remember that?

Hon Mrs Witmer: Do you know what? If you say it happened, I believe you.

Mr Marchese: Oh, trust me. So I get worried when you say "depending on revenues," because you wouldn't be worried about recessions, would you? It wouldn't affect you, would it?

Hon Mrs Witmer: No. Fortunately, Mr Marchese, we've actually seen new growth of over one million new jobs.

Mr Marchese: OK, so the economy will be great; that's not a problem. But you don't depend on the federal government. We didn't depend on them when we were in serious trouble and without any money. In a good economy, you certainly are not whining about wanting more from the feds, are you?

Hon Mrs Witmer: We'd like to see some money to help us through the SARS situation.

Mr Marchese: For sure, but what about us? When we were in government we had a recession and you didn't help me out.

Hon Mrs Witmer: I would have.

Mr Marchese: But you didn't. You said, "You've got the wheels. You're driving the limousine. You're in power. Forget about accusing the feds." I'm just reminding you, it's inconsistent, right? Just be careful.

Let me move on. Then they talk about "new investments to address areas in which the funding formula was clearly inadequate; and periodic (every five years) reviews of the appropriateness of the benchmarks themselves." You agree with that one.

"After an encouraging start—announcements of new funding totalling \$610 million within 72 hours of the release of the report—the government's response turned into an exercise of political spin." You don't agree with that last comment, but that's what he's saying.

"Both before and after the release of the Magna budget, a steady stream of photo op announcements has highlighted specific areas in which the funding formula was to be enhanced. In each of these announcements, the government claimed to be taking one more step towards full implementation of the Rozanski recommendations."

Hon Mrs Witmer: That's true. We have been and we will be, over three years.

Mr Marchese: "When you look behind the spin to the numbers, however, it becomes clear that the government has in fact repudiated the Rozanski report's central message."

"The funding numbers released in the March financial statement were the first hint that what the government had in mind was a great deal less than what Rozanski had called for. In its three-year funding projection, the statement revealed a third-year funding target of \$16.2 billion, \$1.5 billion short of the \$17.7 billion that would have been required for full implementation of the Rozanski recommendations."

"Indeed, the government's projections will leave funding of elementary and secondary education further behind

Rozanski's standard at the end of the three-year 'phase-in period' than it was when Rozanski was appointed to review the system in June, 2002."

Let me just cover a few other areas.

"However, it was only after the full package of funding detail (the general legislative grants) for 2003-04 was released quietly late on the eve of the Easter weekend that the full extent of the government's departure from Rozanski was revealed," he says.

"A board-by-board and grant-by-grant analysis of the government's funding announcement for 2003-04 shows a shortfall of \$1.4 billion compared with the amount that would be required for full implementation of the Rozanski recommendations. If Rozanski's benchmark updates were phased in over three years, as he suggested, the analysis shows 2003-04 funding \$666 million short of what would be required in the first year of a three-year implementation plan."

"If Rozanski's funding model is the target, as the government" claims, "the amounts announced for this year and projected for the next two years fall ... short of that target."

Do you agree with that, by any chance?

Hon Mrs Witmer: Do you know what? I understand what you're saying and actually one of the other areas where consultation is going to be continuing is in the review and updating of the benchmarks. As you probably know, Mr Marchese, we have made significant progress in increasing the funding benchmarks, as was recommended: for example, \$680 million in increases to the salary benchmarks; \$66 million for textbooks and learning materials; \$40 million for transportation; \$25 million for school renewal benchmark.

Further benchmark increases will happen over the next two years, but as you know, Dr Rozanski recommended we consult with the sector in order to "develop mechanisms for annually reviewing and updating benchmarks in the funding formula and for conducting"—I'm quoting from him—"a more comprehensive overall review of the funding formula every five years."

That was recommendation 3. So we recognize that we need to develop a mechanism to annually review and update, OK? So we're not finished, and that's one of the other consultations that will begin shortly.

Mr Marchese: I appreciate that. I think the point he makes is that you're already falling behind, that you may be looking at that, but if you're not putting money now in terms of updating the benchmarks, you're really going to be behind by the time you get there. If they get elected, boy, are they in trouble, and you'll be in trouble too because you won't have any money, and they won't have any money either because they're operating on the same basis as you are.

Hon Mrs Witmer: Will you have money?

Mr Marchese: Yes, because, you see, you accuse them of taxing people. They don't want to tax anybody yet. Wait until they get elected; then they'll have to deal with that. But that's a different problem because they'll have to cut services, like you, or raise taxes, like them.

You won't do that; you won't increase taxes; you'll just cut services. They'll have a problem because cutting more services is going to be complicated for them. They'll have to increase taxes or user fees somehow. We say we're going to tax the very people who send their kids to Haverhill, where it's \$20,000 or \$22,000 a year. The people your tax cuts are helping have got loads of money from me and the rest of these fine people. We want some of that back. So yes, we would tax some of those folks. If they're earning over 100,000 bucks, we say give some money back. It would only be a couple of hundred bucks. I'm sure they're not going to be unhappy to give a couple of hundred dollars back. Would you, John?

Mr O'Toole: Sure, absolutely.

Mr Marchese: He would give it back. I'm sure you would too, Minister, because you are earning around \$100,000 and it won't hurt you—before you get to another matter, let me get on to the other points.

Hon Mrs Witmer: No, I think this—

Mr Marchese: I haven't asked the question.

Hon Mrs Witmer: I'm not going to respond to what you've just talked about, but it's good. I guess we're talking about this budget and we're talking about the funding. What we have to make abundantly clear is the fact that the budget announced a funding floor for our education partners. It didn't talk about a funding ceiling. I think that's really important. It didn't announce the funding ceiling; it announced the floor, OK?

Mr Marchese: I understand that too, but let me go on because I need your reaction to this economist.

"More important, it is clear from its statements in recent weeks that the government is not even aiming at that target. With the exception of the allocation for teacher salaries"—

Hon Mrs Witmer: Textbooks, transportation, school renewal.

Mr Marchese: "... the government has been careful to characterize its funding changes as new investments, rather than as funding increases to bring benchmarks up to date." That's a good point, I think.

"The message that the government is not interested in adjusting benchmarks to reflect costs has been reinforced in ministry briefing documents made public after the GLG announcement. In these briefing notes the government makes it clear that it is not funding catch-up for benchmarks that were allowed to fall behind...."

Hon Mrs Witmer: That's not true, Mr Marchese. As I just mentioned before, the salaries, the textbooks, the transportation, school renewal, those were all increasing the funding benchmarks.

Mr Marchese: I'm not sure that's catch-up. It's a couple of dollars you put in, but in terms of what you would have to do to get to where Rozanski recommends, you're very behind. That's what he's talking about.

1640

It's "clear that it is not funding catch-up for benchmarks that were allowed to fall behind cost increases, and

that it does not intend to fund automatic increases in benchmarks in response to cost increases in the future.

"That refusal to acknowledge the importance of keeping benchmarks current is a lot more than a subtle shift in political messaging. It is a repudiation of the fundamental" message of Rozanski.

"That repudiation is evident in the government's silence on those recommendations in his report to which Rozanski did not attach specific dollar figures. Rozanski highlighted key areas in which he believed a more fundamental assessment of benchmarks would be required, most notably the grant for pupil accommodation, the grant which compensates boards for the higher costs associated with children at risk ... and the transportation grant.

"To bring the learning opportunities and the school operations grants alone up to the levels recommended by the government's own expert panels in 1997 would add over \$300 million to the (increased but not yet realized) funding levels recommended by Rozanski.

"It must be emphasized that the problems with these benchmarks identified by Rozanski did not emerge over time after the introduction of the formula. These problems result directly from decisions by the government to ignore the advice of its expert panels that it had appointed in 1997, and impose cuts. Indeed, the cuts implicit in the government's original underfunding in these areas make up a substantial proportion of the \$500 million that was cut from elementary and secondary education funding when the formula was introduced."

There are a few other points. Do you have any reaction to what I've read so far?

Hon Mrs Witmer: I would just tell you that further benchmark increases are going to come over the next two years.

I would say just one more time that we have increased the funding benchmarks in the funding formula, as recommended by Dr Rozanski: the \$680-million increase to the salary benchmark, \$66 million for textbooks and learning materials, \$40 million for transportation and \$25 million for school renewal.

As I said to you as well, we're going to be setting up a review to develop mechanisms for an updating and review of the benchmarks in the funding formula, and that consultation still has to take place.

The Vice-Chair: Mr O'Toole.

Mr O'Toole: Again we'll be sharing our time. I would almost seek unanimous consent to give Mr Marchese some more time, if it wasn't my time I was going to give away.

The Vice-Chair: You're asking for unanimous consent to give—

Mr O'Toole: No. You missed the last part—unless it was my time I was giving away.

The Vice-Chair: It's your time now, though.

Mr O'Toole: It was quite entertaining. I think the most striking compliment to Mr Marchese and to the minister is how amicable the discussion and sharing of information was. I think that's what this committee is

about. In substance, it clearly spoke to me about the equity issue in education. I'm going back to that theme: the equity issue. I always look at my own riding, where I'm elected by the people to serve them beyond the partisan aspect. Once the election is over with, I'm busy working with all the trustees, councillors and citizens, trying to find the best possible access to resources.

I'm just looking at a report here. I think it was provided by your ministry, which I want to compliment. You always get me timely and accurate information.

If I look at the Durham Catholic District School Board, their funding increase for 2003-04 is going up 3.7%, while their enrolment is going down 1.4%. I could say that every single year, despite what I read in the Toronto Star or the Metroland papers, which are owned by the Star—the editorial bias is always throughout all of them. A lot of people are weaned on this stuff. It's basically the Liberal briefing notes. That's how I refer to it. The Toronto Star is like the Liberal briefing notes. Gerard's or Dalton's questions are usually in the editorial for the Star that day. But Dalton is usually not there. I don't think he's up to the job.

Anyway, the other one, Durham District School Board, went up 7%—that's sizable—and the enrolment is down 1.9%.

The Kawartha Pine Ridge District School Board has a new director of education. She was on the Royal Commission on Learning too—Avis Glaze, formerly with the York board. Their funding went up 6.9% and the enrolment is down 4.1%. They have lots of geographical problems too. It's a big geographical area and there are lots of problems there.

The Peterborough Victoria Northumberland and Clarington Catholic District School Board—wow. Theirs went up 9.2%, and their enrolment went down 1.4%. They're widely spread out as well, and quite a good school system. Trillium-Lakelands board—an 8.3% increase in funding, minus 3.1% in enrolment.

Somebody has to get through to this. I go to public meetings on education and people are screaming. With all the information they have—and I say this in the most humble way that I possibly can—generally they're not prepared to listen to the truth. I don't know where the money is going when it gets there, I say to them—OK, I'm going back. Remember I said it was \$12 billion, two million students, \$6,000 per student. Now it's almost \$16 billion, and there are fewer students. If there was two million, then you've at least gone up to \$8,000 per student. Somewhere in there lies the fact—

Interjection.

Mr O'Toole: No, it's a fact. That's the truth of it all. When I was a trustee some years ago, I saw that our students were getting about \$4,000 per student, and in other richer areas, where they had the SkyDomes and the Hummingbird Centre, they were getting \$8,000 per student. My kids were, at the ends of their careers, going to be applying to the same universities, to the same jobs, and I believed they needed the same opportunity. Thank you for doing it. Now, are they happy? No. Unions are

mad as hell, and you'll have a hard time fighting that one. But what you're putting on the record here is clear.

I always go back to the fundamentals. I always thought that the Royal Commission on Learning was all about this problem. The NDP had this problem, and they called in an eminent group of people to conduct the royal commission, not because they were trying to waste taxpayers' money; it was because the system was in fringing chaos. In fact, before Gerard was in Ontario and took over the food bank—they had a serious problem when I was a trustee. The teachers' pension fund was the issue. At that time, the agreement amounted to about \$600 million a year had to go as the provincial contribution to the pension. The teachers' pension fund had a huge surplus. They had tons of money. They were buying the SkyDome and the Toronto Maple Leafs. Lord knows what they didn't own, and they wanted more.

My sense was this: when they talked about changing the school day, the school year and all this kind of stuff, there was outrage, just complete outrage. But the practicality of it—the people of Ontario really elected us because they felt there were some practical questions that needed to be asked.

I was quite surprised—and I know I'm joking around here, but I am bringing this all together with equity. My sister taught in the separate school system in the area, and she really enjoyed it, I might say that. She enjoys children. I think most teachers do, generally—if they could stay away from that union stuff, which Gerard seems to have completely digested. That's really where he's coming from: their agenda. I understand that. He should probably be the leader of the NDP party, really. What she found was that it was kind of an intolerant environment—because her name is O'Toole—so she's teaching in England. What she's finding there is they have a varied school year. They actually go to school for three or four months, and then they have two or three weeks off. They don't have this big, long two months off, and everybody's tuned out until about November, when school goes back. She says it's excellent. In fact, I challenge you to continue, as you say, using consultative processes with parents. There's a full-year school in Durham which I think is a pilot. It's an excellent secondary school where they do take choices and the children have alternates.

The equity is the issue I'm still going to. I want to be clearly on the record as saying that we have increased funding, it's my understanding, to about \$15.3 billion. You can respond in the time allotted to where the priorities are, but I heard you say it, and I want to put it on the record. It's about 60% wages and benefits, maybe higher than that. Maybe some of the finance people—it's higher than that, I think.

Hon Mrs Witmer: It's higher than that.

Mr O'Toole: I think it's about 75% of every dollar we put in there so somebody can teach less.

Hon Mrs Witmer: Well, it covers all staff.

Mr O'Toole: No, no. I just want to make this clear. I have no problem. We've got to get this sorted out. Get rid

of the union, to start with, and here's what I suggest: What we should do is find a mechanism for paying good teachers tons of money; pay them beyond the grid. The grid is ridiculous. When you're trying to attract specialists in math and science, leadership and all kind of stuff, pay them for it. The technology people—what's this grid stuff about?

1650

Here's what I'm suggesting, though. I think they all work a good day. Do you understand? Even though it's 4.3 hours or whatever it is in terms of teaching time, classroom time, what we should say is that the school day is eight hours. You know, you're there from 8 to 4. Let's get over it. You're there, and that's it.

What they do in England is this: you actually teach about four hours and the other four hours is consultation and enrichment of students. Let's look at best practices around the world. Let's make sure that that 65% or 70% of the budget that's wages and benefits is spent in the classroom, rewarding teachers and providing supplies, and keep examining every possible opportunity for efficiencies in the system.

I'm surprised, too, that if you look at the education system, there's probably more opportunity to have a better use of the semestering of the school system as well. Summer school might be an extremely important time to increase enrichment for students. I think that's what you're trying to do with that student enrichment stuff, provide a sort of summer school or an enrichment activity in languages and math and really giving them the tools to learn, ultimately, and as early as possible.

I think the early reading and early math programs are just excellent. Everything I hear about them is first class and the whole idea of literacy—and some of that, by the way, is mentioned to some extent in the future documents. A lot of people should pay attention. The document is called *The Road Ahead*, an extremely important document. It talks about helping students achieve their own individual success. I think people will be attracted to this. I try to encourage them to stay tuned in on it.

I've pretty well covered everything I've got to say. There may even be a question in there or something.

I think Mr Marchese was talking about equity in education. I'm pleased to say we're getting there. Some areas like Ottawa, Toronto and other larger urban areas that have lots of industrial-commercial tax base are still a little bit ahead. I knew there were transitional things going on there and Toronto's resistant to provide that change.

If I look at the model for funding English as a second language, some of those ingredients of where they're different—inner-city school issues, children-at-risk issues, ESL issues, they are there—the funding isn't going to be identical for every student. I understand that, but the main thing is the equity and finding a determination for dealing with it.

If you could respond to my general observation on the equity, I'd be happy with that.

Hon Mrs Witmer: Sure, I'll endeavour to do that. We've been talking a lot about equity. I think I said in

my opening remarks today that the reason we went to the funding formula was because of the inequity as far as funding per student was involved for students throughout Ontario. We need to keep in mind that we're serving and providing funding now to four boards: the English public, the English Catholic, French public and French Catholic. Unfortunately, there was a great deal of disparity as far as funding because of assessment-raising ability within communities. The funding formula has certainly brought equity to the system. Students are now fairly funded. It's equitable and stable.

It's important to keep in mind that we have a system of education in Ontario that we should be very proud of. I don't know if we sing its praises loud and hard enough sometimes, but I can tell you that we continue to build, enhance and make sure we are doing everything to help our students achieve success in the province. We have many people travel here from other parts of the world, taking a look at the new curriculum, how our teachers are teaching and how well our students are doing. I think we need to compliment our teachers. We have many dedicated, hard-working teachers. Mr O'Toole, you would know that yourself from your work in the educational system. We have hard-working trustees. I think at the end of the day we continue to build on that strong foundation in the province of Ontario.

As I've said, we have the students, we have the parents, we have the trustees, we have the teachers, we have people working together, with the ultimate goal being, how can we help our students achieve success? How can we help our students achieve their maximum potential? Obviously, the most recent announcement of the \$50 million for students at risk that's going to go to the students in grades 7 to 12 who are experiencing some difficulty is going to help some of those students achieve success. It's going to enable them to go on to university or college or directly into the world of work. We're creating pathways whereby they can go directly into work, directly into employment or directly into apprenticeships.

I know there are more opportunities for our students today than ever before, and certainly the funding formula makes sure that all students have the same resources within their school. In fact, this past week, I went to a secondary school here in town and we announced the \$90 million that our government is providing for technological education. We are renewing, for the first time since about 1960, technical education in Ontario because we know that there's a real need for tradespeople in the province. There's a need for people to go into the area of technology. We're flowing \$90 million over four years. There's going to be the ability to buy new equipment to support teachers as they teach the new curriculum.

There is so much that is happening as a result of these new dollars flowing to schools throughout Ontario that's really helping our children. The results are indicating that our students are doing better than ever before. We need to keep focused on that. I mean, we can all be critical. I don't think it's beneficial, by the way, to be critical. I think it's much more helpful if we, the stakeholders, and

all the people interested in education continue to work together. We need to remember we're only in education for one reason, and that's the student.

The Vice-Chair: Mr Arnott, you have five minutes.

Mr Arnott: It's a real honour to have the opportunity to raise a few issues in the context of this discussion of the Ministry of Education estimates and serve as the parliamentary assistant to the best Minister of Education in Canada. There's been reference made to a memorandum that was sent out to directors of education on December 13, 2002, just before Christmas last year. I've got a copy of this memorandum, because it was tabled with the committee after reference was made to it. There's a section on ISA funding that I think is very important, and I just want to put on the record what is here. This memo, again, was sent to directors of education of school boards by Norbert Hartmann, assistant deputy minister, elementary, secondary, business and finance division. In reference to ISA funding, Mr Norbert Hartmann wrote the following:

"In order to demonstrate appropriate accountability for this major new investment in special education and meet the government's intent that these resources result in significant improvements in programs and services for students with special needs, it is important that boards report comprehensively, consistently and accurately on how funding for special education has been used.

"The ministry will be establishing a working group made up of representatives of the Minister's Advisory Council on Special Education, senior school board staff responsible for financial reporting and special education programs to develop recommendations for improved reporting for the purposes of compliance with the special education expenditure envelope. We will be providing further details concerning this expenditure reporting review as soon as possible.

"Because files have been added to the ISA baseline since 2000, it is likely that some of these files represent students who have already left the Ontario school system. To help ensure that each board's special education funding for 2003-04 reflects the files of students who are still in the system, the ministry with the ISA working group is also developing recommendations for an audit of ISA-eligible files. The working group is seeking an approach that will minimize the administrative effort of board staff. We will be providing further details concerning this audit as soon as possible."

1700

I read that because the Liberal education critic, when he was talking about this particular document, indicated that there was a commitment to flow the ISA funding—I think the word he used was "immediately." The word "immediately" does not appear in this section of the memo. The word "immediate" does not appear. Certainly it's the position of the government that the funding would flow as soon as possible, and that seems to be implied, but unfortunately that statement by the Liberal education critic was inaccurate.

I'm somewhat disappointed that when we asked for a copy of the resolution that he had made reference to

earlier, that he said the minister made while she was chair of the school board in Waterloo region, that there was, again, using his words, "a resolution against funding private schools," he has not brought that resolution to this committee. I think he has a staff person here. Perhaps he would want to send his staff person back to his office to see if he can comb the files and find it. If he can't find it, again, I would suggest to him it might be most appropriate for him to apologize to the House, because I think all of us around here know that credibility is hard earned and easily lost, and every time a member makes a patently inaccurate statement, their credibility is diminished yet again.

The Vice-Chair: Are you asking for—

Mr O'Toole: Yes, he's asking him to resign.

The Vice-Chair: Are you through?

Mr Arnott: That's what I wanted to say.

Mr Marchese: Pick it up, John.

Mr O'Toole: The minister might want to respond, out of respect.

The Vice-Chair: You have a minute or less.

Hon Mrs Witmer: We'll lose our minute and move on.

Mr O'Toole: Yes, take it off the 21.

The Vice-Chair: Everyone is so generous to you today, Mr Marchese. They're giving their time if they have it.

Mr Kennedy: Madam Minister, I want to come back to some of the things we left off with. It isn't acceptable, in this proceeding, that you not answer the questions around the basics of Dr Rozanski's report. You held off for many months from doing anything on behalf of children in this province. We just heard some talk about special education. You held off fulfilling the request for special education, the improved grants, until it was politically convenient for you to do so. When Dr Rozanski tabled his report in December, he had to remind you to add two principles to the funding formula: one was adequacy; the other was stability. You have boards out there treading water, barely, now that you've responded to some of the keep-up funds. For some reason, you think they should be grateful and the students should be grateful simply for not being thrown an anchor again this year, but rather actually being able to keep afloat. That doesn't address the fundamentals of the Rozanski report.

Minister, again, I want to ask you very, very clearly where your position is on the foundation grant. You don't have the money committed for this year or next year or the year after that to implement these recommendations. Before you answer, I want to put to you what is the more likely scenario. The more likely scenario was in a memo that was leaked in October 2002. The finance minister's staff said, "At the meeting with the Premier's office staff yesterday, Lisa indicated that the Premier was musing about maintaining the annual increase in ... funding of \$500 million for the next three years." It said—and this is back in October, before Dr Rozanski even delivered his report to you, Minister—it would be "\$500 million for the next three years, starting in 2003-04, bringing the

total increased funding in the fourth year to \$2 billion." Where have we heard that before? Right here in this committee from you, Minister—a political decision being made in October 2002.

It says to Finance Minister Ecker, "You may wish to raise with Minister Witmer her approach to responding to Rozanski this fall beyond any base increase amount. I raise this with you because I believe that this amount has been shared with Minister Witmer by the Premier, and I think you need to start confirming that this would be at least a soft cap of an increase, and how we can work with her to manage this."

Minister, that's what you're doing with us today: you're trying to manage the fact that you've failed Rozanski; you've failed to deliver the dollars that Dr Rozanski asked for. You have in front of you the recommendations that Dr Rozanski made on behalf of students, and you have, for example, received a letter that you haven't responded to since last September from Gwen Singh. She's a parent at Cathcart school in Sarnia. She wrote a letter to you talking about 34 students in her child's grade 3 class and you didn't respond to the letter. What Dr Rozanski did: he released his recommendations, and on the foundation grant, the first recommendation and the largest one he asked for—presumably he was serious about it. You have yet to respond, and even in this committee you will not address why you either don't agree with Dr Rozanski's requirement that there be \$477 million put in for more teachers—for more music teachers, for more phys ed, for the exact teaching positions that have been eliminated in the last number of years, that they should be there—or explain to us how you have failed in cabinet and that this is Mr Eves's response instead.

Minister, there needs to be an answer on your part. There are families and students out there that depended on Dr Rozanski. He did his part. He made the recommendation. Now will you as minister do your part and tell us whether you agree with his recommendation or not, and whether you have an explanation for why you haven't been able to deliver on his recommendation?

Hon Mrs Witmer: Unfortunately, thus far the critic has failed to deliver on the resolution that he said was indeed fact last week. That's really quite—

Mr Kennedy: Minister, your sad attempt to use up my time with your questions isn't going to work. Mr Chair, I would ask you again: please ask the minister to answer the questions that are put to her. She has plenty of time to answer the soapbox questions from the other side.

The Vice-Chair: The minister is attempting to answer. It may not be the answer that you want.

Mr Kennedy: With all respect, Mr Chair, I defer to you but I know that those non-answers get boring after a while. The minister does have an obligation, I feel, to answer the questions in this committee.

The Vice-Chair: She is attempting to answer. It may not be the one that you want in the way that you want it, but she is answering.

Mr Kennedy: With all respect, Mr Chair, it has nothing to do with a single thing I've asked her about.

The \$477 million for the foundation grant: she is clearly afraid to answer why she couldn't get more than \$66 million against this recommendation. It tells every parent in the province that the minister and the government are not committed to the foundation. The foundation grant was out of whack when Dr Rozanski looked at it, to the tune of \$477 million, and the minister has nothing to say on that particular question.

The Vice-Chair: If you're asking the Chair to ask the minister to answer, I will have to give her time to answer.

Mr Kennedy: Sure. But could you keep her to that question, Mr Chair.

The Vice-Chair: But again, if she refuses to answer in the way you want, there's nothing I can do about it. Minister.

Hon Mrs Witmer: As I say, I'm still looking for that resolution from last week. That was Wednesday or Tuesday of last week; we're now one week later. Surely, if someone's going to quote from some resolution that I passed, I'd love to—

Mr Kennedy: I'm still waiting for your answers from last year, Minister, if you want to use that standard. Your ministry is hiding all kinds of stuff. So let's move on, shall we?

Hon Mrs Witmer: No.

Mr Kennedy: Could we have an answer?

Hon Mrs Witmer: If you're going to speak to a resolution that I supposedly passed, I do believe I need to have the opportunity to get it.

Mr Kennedy: You did pass it. Your board did pass it, Minister.

Hon Mrs Witmer: You said I passed it. I'd like to see it.

Mr Kennedy: Your Waterloo board passed that resolution, Minister.

Hon Mrs Witmer: If you have it in your possession, I'd like to see it.

Mr Kennedy: Minister, I would rather you do your job today as Minister of Education. I'm quite interested to have you answer questions, if you're up to it. Now, would you answer a question on the foundation grant? Would you do that? There are parents here watching, there are parents here from schools, and they're flabbergasted, Minister, that you play this stonewalling game rather than answer questions. Use this time gainfully. You can have a difference of opinion, but to not even address the individual recommendations that Dr Rozanski put forward shows them that this is just a game you're playing. It's just show business.

Minister, it's a serious impact on students. Gwen Singh has too many kids in her child's class. Their board does not benefit from Dr Rozanski's recommendation because you are not providing the dollars. Is there a reason, Minister, any reason at all?

Hon Mrs Witmer: Mr Chair, I don't think anybody's playing politics. Maybe the member opposite is. I will just say one more time, if you have the resolution, would you please produce it. But at the present time, your credibility is in question.

Mr Kennedy: Minister, I'm going to ask you again. I owe it to people who are struggling out there to ask you these questions even if you're going to continue to do this ridiculous avoidance. I implore you not to, but I want to ask you again around things like English as a second language. I'll refer you to the table. The investigator, Dr Rozanski, said that students were falling behind. Your own guidelines, in fact, on English as a second language speak to Dr Rozanski's recommendation. They said to change the support for children from three years to five years; make English as a second language a more successful program for students. They ask you to do that in no uncertain terms. And instead of Dr Rozanski's request for \$90 million, you've given nothing, zero, not a single penny to his urgent request. He says that's what kids across the province need in order to learn.

1710

Yesterday we had some parents who were here from the Mandarin language association—from a number of groups, in fact—and they wanted to hear your answer. I've undertaken to send them the Hansard of your answer today. They want to know why the needs of their children, clearly identified by Dr Rozanski, don't carry any weight with you. Why is it that either you aren't in agreement with the English-as-a-second-language recommendation or you couldn't get the money to fund that particular recommendation?

Hon Mrs Witmer: Mr Speaker—Mr Chair.

The Vice-Chair: It's OK.

Hon Mrs Witmer: Well, we're going to need one in September.

I would just indicate one more time that our government has endorsed the recommendations. We're going to be implementing the recommendations over the course of three years, as I said in my conversation with Mr Marchese, whom I would just compliment on the way he conducts himself in here.

It's important to remember that the budget announced a funding floor for education that our partners in education can count on. It did not announce a funding ceiling. Over the course of the next three years we're going to be continuing to implement the recommendations.

Our government has demonstrated a sincere commitment to helping students in the classroom achieve success, and we're going to continue to move forward and do everything in our power to help those young people.

Mr Kennedy: Well, Minister, it's not sincere without you being serious about these individual concerns. I'm sorry; you can't claim that. You may be sincere in your wishes, but to be sincere to these parents, to Gwen Singh and the other parents who stepped forward—you're saying zero to them. That isn't at all acceptable.

In fact, you chose earlier to selectively quote from People for Education. They said very clearly that this approach of rejecting some of Dr Rozanski's recommendations outright—this is their release of April 28—is contrary to the advice of Dr Rozanski, who stated that each of the recommendations is concomitant with the other. Instead, you're having a process to cherry-pick

from the report you commissioned. That seems very evident.

I think that as Minister of Education you owe the parents of English-as-a-second-language children who are being denied services across this province. Yesterday we had the chair of Peel, Janet McDougald, here, because she is wise to your game, as are boards all over the province. They are missing 124 English-as-a-second-language teachers because you haven't addressed this recommendation and the recommendation for the foundation grant. That's a lot of children being denied English as a second language. Again, Minister, do you have something to say very specifically about why you are denying funding to children who need this extra support to learn English?

Hon Mrs Witmer: If we take a look at the Peel District School Board, since 1998 they have received a 117% increase in their allocation for ESL. It's gone from \$11.8 million in 1998-99 to a projected \$25.6 million for the next school year.

I would also indicate to you that Peel has considerable flexibility in how it uses its funding for in-room class staffing and program delivery. Flexibility in resource allocation, particularly in classroom staffing and program delivery, remains with the board, because it is in the best position to identify local needs when setting budgetary priorities.

I would also hasten to add that if we take a look at ESL funding, it is projected to rise to over \$190 million in 2003-04. That is an increase of almost \$79 million, or 71%, compared to ESL funding levels in 1998-99.

Mr Kennedy: This is the ridiculous kind of credit the government tries to claim for itself. It did a terrible job of funding in 1998-99. It hired an independent investigator, Dr Rozanski, and he said that as of this year—not 1998-99—you need \$90 million more. He said that clearly, Minister, and you won't give the respect to those kids out there to answer why you're giving them nothing, zero. You dare go back to 1998-99, when you did such an abysmal job of it, and now you're doing a slightly worse job. These kids aren't getting their education. I can't think of a worse indictment of an education system that won't let kids learn English adequately.

Here's what Janet McDougald had to say very recently, on May 26, about your overall funding: "What this (balanced budget) approval disguises is that the funding formula continues to be a mockery of meeting student needs. And the greatest irony is that everyone knows that the formula is not working for kids. Each day our staff and parents see first-hand the effect of the reductions."

She says, for example, that last year there was "a \$26-million gap between the amount" they "are funded, and the amount" they pay in salaries. "A year later—after the Rozanski promises and the many announcements—our gap is now—are you ready for it—\$27 million!"

So the money—\$27 million, \$1 million worse than last year—has to come from other parts of their budget.

Again, you can't hide in 1998-99 numbers. You have hired somebody, he has done his job, and sitting in front

of you is his recommendation for \$90 million. Will you tell the children in this province and their families when they can expect to see the \$90 million that Dr Rozanski said is essential? He said it was needed in August last year, and you're giving zero. When can they expect to see some of the money you're trying to lay claim to by identifying their needs? Where are the dollars? Where is the support? Where are the teachers?

Hon Mrs Witmer: Although there are those who try to make misleading statements in here, I would just remind the member one more time that Dr Rozanski's recommendations covered a period of three years. He asked that the recommendations be implemented over the course of three years; we are doing exactly that.

This is what Chairperson Joyce Bennett says: "We're pleased this year because the government has listened to Dr Rozanski's report and there has been ... recognition of, for one, special education." That's from May 26.

Ray Vincent, chair of the Sudbury Catholic board: "I think the government has been responsive. We're satisfied that the main areas Rozanski targeted have been addressed by this government. We've had enhanced funding in the past two or three months that benefited our budget for this school year."

Phyllis Benedict says, "The government has taken the Rozanski report on education funding seriously. Teachers welcome the Ontario government's commitment to multi-year funding for school boards."

So there may be differences of opinion, but I can tell you the amount of money that has been flowing—Dr Rozanski is in total agreement with the flowing of the money. We are following through on his recommendations, but he recommended three years—

Mr Kennedy: Like everyone starved in the desert, they're happy for a glass of water, but they're not happy that the facts don't bear out the assurances you're giving. You cannot say in this committee that Dr Rozanski's recommendations are being lived up to by you or by anyone.

There are many, many boards, and some of them are quite courageously on the record—for example, up in Bluewater—saying they don't believe you. They're cutting back their budget now by \$2.5 million because they don't believe you're going to deliver the rural funding. They don't think that's going to happen. They've heard these promises before, and they've heard how they haven't materialized.

You also ignored another recommendation of Dr Rozanski. He said—and it's very important for urban areas—that the learning opportunities grant should be increased immediately by \$50 million. He identified that one of the strongest things known in education research is the connection between children who are not thriving and low-income backgrounds. He asked for a \$50-million increase. You took that \$50 million and used it for something else instead. Does that mean that nothing can be expected by way of a demographic increase for the children living in poverty whom Dr Rozanski said should get your attention and obviously can't get your attention

today or any time? Will there be something for that demographic change in the learning opportunities grant?

Hon Mrs Witmer: We would be pleased to have one of our administrators share with you some of the work that's taking place in that area.

Mr Kennedy: Minister, do you disagree that there has been any response?

Hon Mrs Witmer: Do you know what? Our ministry staff has been working extremely hard to ensure that the appropriate allocations are made to help students in the classroom. I think it's really unfortunate that we don't give credit to the individuals who really do care about the kids and who are working really hard.

1720

Mr Kennedy: Minister, maybe they've done their job. The question is whether you've done yours. You have not convinced your cabinet colleagues to give you enough commitment to public education. You've stayed silent in committee, silent in the House about private school tax credits, which you obviously now agree with—you're all in favour of \$500 million going that way—but you're not fighting for these kids. You refuse today to stand up in committee for the kids who need help in terms of demographic assistance. Those are the kids who need the boost in the early years, which we have proven. Right now, as we speak, your appointed supervisor in Toronto is rolling up full-day kindergarten in Regent Park, taking it away, and you obviously approve of that. You don't wish to address those kinds of things.

Minister, I want to ask you, on another level that a lot of people can identify with—the investigator, Dr Rozanski, talked about \$5.6 billion of crumbling schools that are falling down on your watch all around the province. He said, "Get with it. Start paying to fix these schools." He asked for \$200 million a year, and you, so far, have guaranteed zero, nothing, against his deferred maintenance recommendation.

Do you have any reason you can give to the parents and children who feel that their schools are becoming unsafe, that there will be some response coming forward from you any time soon?

Hon Mrs Witmer: Our staff would be pleased to respond to you, Mr Kennedy.

Mr Kennedy: Minister, with respect, I've had briefings from your staff and they defer questions to you. This is your turn to answer questions. Instead, you choose to avoid the responsibility that is minimal for any Minister of Education. There is here a track record on Dr Rozanski's recommendations. You've only committed to 31% over the next three years. You have a track record here of taking anywhere from 12 to 15 years to implement Dr Rozanski, and that's not good enough, absolutely not good enough.

The Vice-Chair: You have run out of time.

Mr Marchese: Minister, I'm just going to continue with this—

Hon Mrs Witmer: I don't have the book, but I think somebody—

Mr Marchese: You will. There it is.

Hon Mrs Witmer: OK.

Mr Marchese: You see, we were good. We just want to help. We're here to help. We only have nine members; we're here to help.

Mr Arnott: You have funding, though.

Mr Marchese: That's good, thank God.

The Ontario Alternative Budget—Telling Tales Out of School: How the Ontario Government Isn't Funding Education—and I do hope you are supporting me, by the way. On page 5, for the benefit of others who don't have this, he says, "Funding Warning #1—The March Economic Statement

"In its March 2003 economic statement, the government highlighted proudly"—no, just before I get there; you see, I forget, there's so much. You said, and I wanted to get back to this point, that Rozanski validated that the funding formula was working. That's what you said, more or less, right?

Hon Mrs Witmer: Yes.

Mr Marchese: Could you explain how he did that? How did he validate that your funding formula was working?

Hon Mrs Witmer: He actually did make a comment to the effect that certainly it was achieving the equity in education and the stability and the fairness that hadn't existed in the province before.

Mr Marchese: Oh, I see. OK.

The funding recommendations he makes: are they in keeping with the direction you were going or not? Are the recommendations he makes in keeping with the road you had planned all along—that was OK, and you were on the right track—or was he perhaps indicating something was wrong with the funding formula?

Hon Mrs Witmer: As you know, the funding formula was introduced in 1998 to ensure that equal funding was going to flow to allow each child to achieve their full potential. I think it's extremely important that you continually review the funding formula.

Mr Marchese: Right. I understand that. I was just concerned that in your statement that he validated that the funding formula was working, there are a number of aspects to how the funding formula works or doesn't work.

Hon Mrs Witmer: That's right, but he believes—there was nobody, except for maybe one or two, who wanted to go back to local taxation.

Mr Marchese: Yes, but all I wanted you to speak to is the fact that his recommending a \$2.1-billion increase would suggest there was a problem with the funding formula.

Hon Mrs Witmer: Right. He was recommending that additional money should be invested over the next three years—

Mr Marchese: Not money you took out of the system, certainly.

Hon Mrs Witmer: —and we agree with that.

Mr Marchese: It isn't money you took out of the system, obviously, because you've poured so much money in.

Hon Mrs Witmer: He has recommended these specific areas where he saw need for additional money. So we've been responsive because we believe he got the advice of the stakeholders.

Mr Marchese: Let's get to that, then. "In its March 2003 economic statement, the government highlighted proudly a three-year commitment to funding increases for elementary and secondary education.

"The budget touted a funding commitment of \$15.3 billion for school year 2003-04 and funding targets of \$15.8 billion for 2004-05 and \$16.2 billion for 2005-06, compared with \$14.3 billion at the time of last year's budget.

"It hailed the announcement as a 14% increase by 2005-06, compared with the \$14.3 billion for 2002-03 announced in May 2002.

"Compared with the actual amount spent in 2002-03, however, the change looks much less dramatic," he argues.

"The government's own data make the point." He's using your data, not his own or invented or fabricated.

"With the single exception of 2002-03, when the December response to Rozanski pushed the funding increases from 2.9% to 6.5%, funding increases post-Rozanski are not dramatically different from the increases prevalent pre-Rozanski—a pattern that produced the funding crisis to which Rozanski's appointment was a response."

For the benefit of some people who are not following this chart, the education funding multi-year base funding profile, in 2000-01 it was 2.3%; in 2001-02, it's 3%; in 2002-03 the plan is 2.9%, and that's where you have an increase, your jump. The increase is presumably in special ed and transportation.

There you see in 2002-03 a 6.5% increase, which is good. It reflects some of your additional dollars. The problem with your multi-year funding is that when you get back to the following year, we're back at 3.4% and the following year after that we're back at 3.3%. You see, this guy, Hugh Mackenzie, economist, is saying we've got a problem here.

Hon Mrs Witmer: Yes, but I think he does not understand and perhaps others don't understand—

Mr Marchese: That's probably true.

Hon Mrs Witmer: —that when we talk about multi-year funding and giving some certainty to our funding partners, we are talking about a floor, an amount of money our partners can depend upon. We're not talking about a ceiling. As I said before, we're setting up a review.

Mr Marchese: I see. So what you're saying is, this 3.4% that is announced as part of your multi-year—

Hon Mrs Witmer: That's a floor; that's not a ceiling.

Mr Marchese: So there will be more money that will flow, is what you're saying, except we won't know because you may not get elected. We don't really know what may or may not happen. This is just the base, not the ceiling.

Hon Mrs Witmer: Exactly.

Mr Marchese: I see.

Mr Kennedy: It's not in The Road Ahead.

Mr Marchese: People are led to believe that there will be more money other than what you say will be in the plan, because that's what you said in your March plan. Your March statement said that's what you're getting is 3.4%. That's what it says. It doesn't say "maybe." It doesn't say, "Oh, by the way, it's the base." I don't see that in your document. Maybe you could read it to me where you say this is the base, not the ceiling. Do you have that in your March statement that was read out in the Legislature?

Hon Mrs Witmer: I don't have it right here, Mr Marchese.

Mr Marchese: Does the deputy?

Hon Mrs Witmer: But I would just simply say to you that when you take a look at multi-year funding, obviously you are trying to give some certainty to the stakeholders and so you give them a base.

Mr Marchese: I appreciate that.

Hon Mrs Witmer: But we're not talking about a ceiling. More funding could be available, would be available. At this point in time, we don't know what that ceiling would be, but we do know what the base will be.

Mr Marchese: Right. Except you say that you accept the recommendations, and if you do, he argues on page 6, "These figures indicate that, to reach the Rozanski funding target"—it's the second paragraph to the left there on page 6. Do you see that?

Hon Mrs Witmer: What page are you on?

Mr Marchese: Work with us—page 6, second paragraph, left, yes.

Hon Mrs Witmer: All right.

1730

Mr Marchese: "These figures indicate that, to reach the Rozanski funding target, the government would have to provide three consecutive years of 6.2% increases on top of the 6.5% increase in final funding for 2002-03..."

The point that he makes, that I'm suggesting to you, is that if you support Rozanski, then what you should have put in your statement in 2003-04 is a 6.2% increase, he's arguing. The corollary of supporting Rozanski is that for the following year, your increases ought to be 6.2%.

Hon Mrs Witmer: I'm just going to take you back to the budget. "We are accepting his advice," it says in the budget. This is Dr Mordechai Rozanski's advice. "By 2005-06, multi-year base funding for school boards will be 14% or almost \$2 billion higher than the funding provided in last year's budget." That's why I say we're talking about base, but I also said to you in an earlier response that we are going to be consulting with the sector in order to develop the mechanisms for annually reviewing and updating the benchmarks in the funding formula. That's part of what's still going to be happening. All of this will have an impact on the eventual ceiling, which we don't know now.

Mr Marchese: No problem. I understand that, but here's the problem, if I can rephrase it or restate it. You just read to me that in 2005, the base funding will be

14%. If that were so, Hugh Mackenzie's arguing that the increases that you project in your chart—the figure he uses that you provide—cannot be 3.3%. It would have to be 6.2%, is what he's saying. So your 14% increase ought to reflect a different number. It cannot be 3.3%; it must be 6.2% to get to where you said in your economic statement we need to be at.

Hon Mrs Witmer: I would again remind you that he recommended it happen over three years.

I would read what Dr Rozanski said in the Toronto Star. This was in March. He said that “within four months the government has taken seriously the recommendations and moved to implement more than \$1.8 billion in funding over three years.”

It goes on to mention that despite the fact that enrolment's going to be decreasing, he mentions that we've put money into teachers, special ed, transportation, textbooks, and students at risk. He praised the government's plan to regularly review its spending.

Mr Marchese: I understand what he said. I hear what you're saying. I'm saying they're not consistent; they don't add up. I'm saying that if we are to be consistent to Rozanski's recommendation, the multi-year funding should reflect itself, in 2002-03, 6.5%. The next two years ought to have 6.2% increases there. That's what it ought to have to respect Rozanski. Whether you consult people or not is irrelevant because he's already consulted people. Rozanski is saying—and Hugh Mackenzie in his analysis of this—that to respect that, your increases ought to be 6.2%. That has nothing to do with whatever consultations you may or may not want to do, but that base funding should be 6.2%. That's what I'm saying that Hugh Mackenzie is arguing that you're not reflecting in your figures.

Hon Mrs Witmer: I would just remind you that what we've announced thus far refers to a base, a floor, and it doesn't refer to a ceiling. We still have to develop the mechanisms for the annual review and the updating of the benchmarks.

Mr Marchese: Now I can see we're not getting anywhere. That's where we hit a wall, you see. It's hard; I understand. We're just saying that it's true that the Liberals are not implementing the full Rozanski; they said that.

Mr John Gerretsen (Kingston and the Islands): No, we didn't.

Interjections.

Mr Marchese: OK. Better not touch them, then. This is an election issue. As far as I know, the Liberals are not implementing Rozanski, and my point is—

Mr Kennedy: We're implementing more than Rozanski.

Mr Marchese: Oh, you're going to do more than Rozanski?

Mr Kennedy: That's right.

Mr Marchese: God bless you. They're good. They're really good. They're going to do more than Rozanski. Rozanski is already expensive. He's already expensive to the point that this government cannot do it—because

they're talking about the base and no ceiling. They will not only implement Rozanski, but on top of that will find—how much?—Two billion or more? Or \$1.6 billion, \$1.5 billion, more or less? They're going to find \$2 billion more—

Interjection.

Mr Marchese: They're going to look at the figures. It can't be done, Gerard.

Mr Kennedy: It can be done.

Mr Marchese: It can't be done.

Interjection.

Mr Marchese: No, you see, I'm telling you. Unless you tax a couple of good people who have got the deep pockets—

Mr O'Toole: Go after the rich.

Mr Marchese: No.

Hon Mrs Witmer: You should go back to the promises of 1985-90.

Mr Marchese: Oh, well, that's a different story. That's so far. I don't want to go back that long. Minister, my problem is that you're not implementing Rozanski. I'm a bit disappointed, of course. That's not just me; it's teachers, parents, students, everybody that follows these issues.

Hon Mrs Witmer: I would just take exception to that. We are, with due respect to the member—and I appreciate his commitment to this document here, but we have endorsed the recommendations. We will be implementing them over three years—

Mr Marchese: But you're not.

Hon Mrs Witmer: —and thus far we have announced the funding floor for education, one that our partners can count on but we have not, obviously, because there's still more consultation taking place.

Mr Marchese: Minister, please, you're repeating the same thing.

Hon Mrs Witmer: A ceiling.

Mr Marchese: No, no, it's not helpful.

Hon Mrs Witmer: It's pretty simple.

Mr Marchese: Let me ask you about that ceiling: what do you think that ceiling should look like?

Hon Mrs Witmer: At this point in time, until we finish those consultations, I don't have any more information for you.

Mr Marchese: Do you have any feelings about this? Do you have any feelings about what you think that ceiling ought to look like, could look like, what you would like it to look like?

Hon Mrs Witmer: I would simply say we're endorsing the Rozanski recommendations.

Mr Marchese: So you're disputing my argument and the argument Hugh Mackenzie puts forth that you're not, is that it?

Hon Mrs Witmer: I'm saying that we've made a commitment to endorse the recommendations and, over the course of the next three years, to implement those recommendations.

Mr Marchese: So when I say that Hugh Mackenzie says that in order to do that, to respect Rozanski's

recommendations, your ceiling would have to be 6.2% or 6.3% next year and the following year; when he says that you're not meeting that commitment, you're saying that isn't true.

Hon Mrs Witmer: Maybe it will be 10% one of the years.

Mr Marchese: But it's not written in your March statement.

Hon Mrs Witmer: We've given the base and I think that's something people need to understand clearly. As you know, this was the first year that multi-year funding was announced.

Mr Marchese: Let me go on because on page 9, he makes some other points. It's a good report. I try to read this good stuff.

Mr O'Toole: Wrong stuff. Read *The Road Ahead*.

Mr Marchese: I will. There are some sections in there that I need to attack more carefully.

"Overall," he says, "funding for operations and capital for school boards falls short of what would be required to implement Rozanski by \$1.394 million, with immediate implementation, or \$666 million for the first year of a three-year phase-in of the recommended benchmark catch-up recommendations."

Then he goes on to say that the major funding shortfalls are foundation grant: \$511 million, and it would be \$182 million the first-year phase-in; special education: \$102 million, and that would be \$42 million the first-year phase-in; language programs, which I'm assuming includes ESL: \$91 million, and that's \$74 million for the first-year phase-in; transportation: \$96 million, \$30 million for a first-year phase-in; administration and governance: \$46 million, \$17 million the first-year phase-in; school operations: \$201 million, \$75 million the first-year phase-in; and school renewal: \$263 million, \$242 million first-year phase-in. Your comments on that.

1740

Hon Mrs Witmer: I think it's important to appreciate the fact that we have announced, as of March 18 of this year, an enhancement for school renewal funding, bringing the grant for school renewal this year to \$287 million. Of that, \$25 million is going to supplement the school renewal allocation, \$25 million to fund the replacement of schools that are prohibitive to repair and \$25 million to increase the benchmarks for school renewal effective 2004-05. So certainly it is our plan to continue to move forward. Unfortunately, some of the stock of schools is going to require a substantial investment, and we are going to move forward, planning for new schools and renewing existing facilities.

Mr Marchese: The economist concludes by saying the following: "These shortfalls arise from two primary sources in relation to Rozanski's recommendations: the failure of the government"—that's you—"to implement any part of Rozanski's \$1.08 billion recommendations for benchmark adjustments to reflect prior year cost changes; and the failure of the government to act at all on two key areas of new investment: \$65 million in funding for language instruction and \$200 million annually for five years to address the school maintenance backlog."

I have a great deal of faith in his numbers. He is a very careful economist. I think the government ought to review this report and, now that you have a copy, when we come back Tuesday we might have a better chat about it.

The Vice-Chair: It's time for the government.

Mr Mazzilli: What I would propose to do is ask for unanimous consent. The minister has been well spoken today and certainly has addressed all our needs on this side of the committee. I would ask for unanimous consent that we waive the balance of our time and adjourn the committee today, if that would be OK with committee members.

Mr Kennedy: I just want to be clear: this is not time that will help the minister or the overall commitment—

Mr Mazzilli: That's correct.

Mr Kennedy: —it's just that the Conservative members choose not to ask the minister any questions.

Mr Mazzilli: That's correct. The minister—

Mr Kennedy: That's separate from the time you're proposing to give up on Tuesday, to enable this to end by the end of the day. This isn't part of that equation. If you don't ask the questions now, no one else does.

Mr Mazzilli: That is not part of the equation.

Mr Kennedy: OK, I just want to be sure, because—

Mr Mazzilli: We're waiving the balance of our time for today, the next 20 minutes.

Mr Kennedy: You just don't want to ask questions today.

Mr Mazzilli: The minister certainly addressed all of our concerns.

The Vice-Chair: Let me see if I understand this clearly now. You are waiving your time here. One of the challenges here is that the minister has indicated she won't be able to come on Wednesday. This will again put a little challenge to that time.

Mr Mazzilli: Well, the parliamentary assistant can fill in on Wednesday.

The Vice-Chair: Let me just finish. If you waive your time now, it extends—

Interjections.

The Vice-Chair: May I just finish, please? If you're waiving your time, it extends the time down to Wednesday, which again challenges the time of the minister, who won't be here anyhow on Wednesday. So if you waive your time, that's fine, but the next matter goes to them.

Mr Mazzilli: Mr Chair, I withdraw my motion.

The Vice-Chair: OK. Then you will proceed.

Mr O'Toole: It demonstrates to me once again that there's a great willingness from this side to—

Mr Kennedy: We hate to make you guys work.

Mr O'Toole: No, no, certainly not. I believe in constructive dialogue. It's extremely important.

Mr Marchese has been exemplary in his ability to make his points and put his duty as a critic for education for the NDP. He should be commended.

Interjection: Is this part of their time?

Mr O'Toole: Yes, it is. I think the people of Ontario should be watching Mr Marchese's style. He really does

have a genuine interest in students, as opposed to the political points the Liberals are making. I think when he speaks sincerely, I may not agree with everything, but at least I'm listening to you, and that's important. As elected public people, you've got to be engaged, listening, as the minister and the staff have been today. Yet we find Mr Kennedy, to be specific, almost confrontational with the Deputy Minister of Education.

In my view—and I want to go back to the basics here—I've tried to build on a conversation with the minister where I get the most time. The four basic principles that I think we've achieved—you have, under your leadership; I want to stress that—are, first, we are basically challenging students with the new curriculum that builds on the basics of reading, writing, math and science. That's something I'll comment on in a moment. The second is giving parents the information they need to help their children learn. We all know—we've heard the saying that it takes a community and all that stuff to raise a child—but there are three important components. It's not a single entity here. It's not just the teacher, it's not just the parent and it's not just the student. All members of that triangular relationship must be engaged fully. Supporting excellence in teaching—and that's where I believe the union has been negative—is something I know our minister celebrates and I would like to celebrate. Most of the members on this side would like to find a way to do that, even if it means stopping some of the rhetoric with the teaching community. And providing students and teachers with a safe, stable environment that encourages and supports learning. I think those four basic principles are something we should be held to, and I believe the minister is.

I'm just going to give you my little report card. This is June. In another week or so, the students will be out. In fact, some of them are out now. I hope the report cards are done; I know my wife has got most of her report cards done. She works hard, as most teachers do.

Here's how I see it. Equity is up, so you get an A in equity. Test results: clearly they are up. Everything I've read recently indicates that they are up. New schools in my area and across the province: that's up. My kids' education was totally in portables. They had no gyms in most of the high schools. So you get an A there. Funding is up. So you get straight As, and as far as I'm concerned, keep up the good work. There's always more to be done. We want to be the best in the world, not just the best in Ontario or Toronto. We want to be the best in the world. There's always more to do, and the challenges are ahead. I think a good beginning is with Mordechai Rozanski and following up on that three-year commitment.

Now, there are challenges. Certainly the special education challenge is ahead of us. I see more and more very sophisticated treatment modalities in terms of behaviour. Those things are not completely clinically proven or sound yet, from everything I've read. And the integration question is still there. I think certainly most—all, I believe—want as much as possible the integration of children with educational needs; there's no question that

that's doable. There's always going to be more ahead to challenge us.

But—and I think Mr Marchese was making some point here—what it really comes down to is this: I too want to have the strong economy in our province to be able to sustain the quality of life, which includes, most importantly probably of all the ministries, education and health. You ran into it, Rosario, when you were in government. Your solution was the social contract, and I felt very sorry—I was the chair of finance in municipal government at the time and I knew the trouble you were in; everybody knew it. You tried to get an agreement with all the unions, but they wouldn't take one cent or one holiday, so you had to force it on them. They're still mad, actually; that's why you won't be government for probably another 10 years.

Mr Arnott: A generation.

Mr O'Toole: It will take them a generation to forget and forgive.

I think we have moved forward and I think you're getting it, but you have to have the economy to be able to support all of the promises in education. And I have yet to hear an honest answer from a Liberal in my life, let alone during the current discussions.

Mr Gerretsen: You get to hear an honest—

Mr O'Toole: No, I think they're against most of the things that have made this province successful.

The Vice-Chair: Let's get the meeting in focus now. Speak to the Chair.

Mr O'Toole: No, I'm focusing. This all comes together because public education in this province has just recently been given straight As. Now, I was the one giving the marks, but it was given straight As in four categories of the basic building principles of public education. I'm going to give the minister a couple of moments here—I'm just giving her a warning—to respond to this and, if she doesn't, I'll share the rest of my time with her parliamentary assistant, Ted. His wife's a teacher as well. He's got three children. Are they all in school?

1750

Mr Arnott: Two are in the public school system.

Mr O'Toole: Two are in public. Is the other in private?

Mr Arnott: No, no. He's four years old.

Mr O'Toole: He's four, being home-trained.

Mr Arnott: He's anxious to go to school.

Mr O'Toole: I thank the minister. Hopefully we can wrap this up amicably by next Tuesday. Mr Mazzilli from London tried to—

Mr Gerretsen: He tried to wind it up about 10 minutes ago.

Mr O'Toole: Yes, he did, and Mr Kennedy wouldn't agree. John, you seem to be agreeing with us now. Gerard is totally isolated.

Mr Mazzilli: Chair, can I try that again? I move that we waive the balance of our time and adjourn for the day, with the consent of other committee members.

The Vice-Chair: Let me repeat: if you ask for this time—and you can do that—we still have to complete the other time.

Do I have unanimous consent to—

Mr Mazzilli: I withdraw, then.

The Vice-Chair: You're withdrawing this.

Mr Arnott: There's still the outstanding issue of the resolution—I think I have to characterize it now as the fictitious resolution, because we have asked for it now, I think, three or four times—

Mr Mazzilli: It's a lie.

Mr Arnott: The Liberal education critic has indicated that a resolution was passed by one of the regional school boards some time ago and—

Mr Gerretsen: On a point of order, Mr Chair: I believe the member opposite in government said that something was "a lie." I think he has to withdraw that remark.

Mr Mazzilli: I said that if something is not the truth then it's a lie.

Mr O'Toole: It was a lie.

The Vice-Chair: Order. There was an inappropriate comment made by Mr O'Toole. If you want to withdraw that—

Interjection.

Mr Arnott: I'm not prepared to characterize it as a lie, but at the same time I'd like to see the resolution that he made reference to. We're getting a little closer, though. He has narrowed the focus. He hasn't given us the date as to when the supposed or fictitious resolution was brought forward, but he did say he believed that it was between 1985 and 1990. At least we got that information from the Liberal opposition critic today on this. Maybe by next week he will have the opportunity—

Interjections.

The Vice-Chair: Order. May I get some order? It's getting raggedy now. The fact is that you've asked for this resolution. The member has not made any commitment to do so. So you want to proceed and finish in your time.

Mr Arnott: But it is my time. I appreciate your intervention to assist me in my comment. I'm not sure it was helpful. I would still like to receive a copy of this resolution so as to know for sure what was debated and what was discussed, if such a resolution exists. If it doesn't exist, again, I would ask that the Liberal opposition critic go to the House—maybe the appropriate time would be today—to apologize for the fact that he made an inaccurate statement. I think that's what he owes the House.

The Vice-Chair: I'm just regarding all what he said as comments. It's not a question or a motion. Are these your comments?

Mr Arnott: Well, I think it's our time. I wanted to make that statement.

Mr Kennedy: On a point of privilege, Chair: I think it's well within the confines of the government to waste its time any way it chooses or sees fit. If it chooses to impugn another member, it should, in some way, apol-

ogize. It should take the time that it has here. They know full well that this resolution took place—

Mr Mazzilli: Chair, can we get back to our time?

Mr Kennedy: Again, I'm just speaking to the orders, Mr Chair. The orders say this is the time the government has to question the minister. They don't have the backbone or the gumption to do that. They're wasting the time instead. If they want to question me, I'm there after hours any time.

Mr Mazzilli: Mr Chair, we'd like our time.

Interjections.

The Vice-Chair: Order. It seems to me it is the government that started this.

Mr Mazzilli: I will—

The Vice-Chair: May I, Mr Mazzilli? If you want to continue in this regard, that's fine with me. These are only comments. But you're the one who started this request for a resolution. You're not getting an answer. Waive your time, if you have nothing more to say, and let's back to—

Mr Mazzilli: No, no. We have lots to say.

The Vice-Chair: Are we ready to proceed with estimates?

Mr Mazzilli: Yes, we'll proceed.

Minister, certainly from an education policy—and I know it's both tax and education—an important component in the budget, if you will, is the seniors' tax credit on the education portion of property bills, although it has nothing directly to do with your ministry. But for many, many years, seniors have paid their property taxes based on paying their share for education. I've heard from many that it's not fair. At some point, when they no longer have kids in the system, they're on fixed incomes, at a time when they can no longer afford to pay for something they no longer use, that money could be better spent by them on other things. So I certainly commend our government for that. Is that something you've heard in your community over the years, and before when you were a trustee?

Hon Mrs Witmer: I think it has been an issue for a long time that many seniors—many of them on a fixed income, as you probably know—have indicated they would like some sort of exemption or consideration given for some relief from taxes for education. So I think that decision is very consistent with the input we have received from stakeholders in the province of Ontario. I understand that is being very, very well received.

Mr Gerretsen: Could I ask a follow-up question on that?

Mr Mazzilli: No.

Mr Gerretsen: That's too bad.

Mr Mazzilli: You can certainly do that on your time.

Interjections.

The Vice-Chair: Mr Arnott?

Mr Arnott: I do have a question. I know we're almost at the end of the day, and I'm looking forward to going back up to the House for what's to come, but I was thinking about the time between 1985 and 1990—again, it was the Liberal opposition critic who talked about it.

Of course, that was the time when the Liberals were in office in the province of Ontario, in those first two years, 1985 to 1987, as part of a minority government, and then as a majority government between 1987 and 1990.

I seem to recall an election pledge or promise by David Peterson. I'm trying to remember if it was 1985 or 1987, but he promised to restore the provincial portion of the funding of education to 60% of the total cost of education. At that time, the property tax portion was gradually growing and the provincial portion seemed to be eroding. I was trying to remember what year that was. It was either 1985 or 1987 that the Liberals promised this. I don't know if you can recall, Minister, because I know you were certainly right in the middle of that issue at that time.

But there was also the reality, when I first ran as a candidate in 1990, that even though they had promised to increase the provincial share of funding for education to 60%, it had eroded to about 40% over the three years between 1987 and 1990. So instead of meeting and honouring their promise, it in fact eroded further to about 40%. I'm just wondering if you recall and can fill in the details for me.

Hon Mrs Witmer: I can recall. There was a commitment, a promise, made in 1984 that the provincial share of funding would increase to 60%. Unfortunately, at the end of the five years, there actually had been a reduction in the level of provincial funding by 6%, and I think it stood at about 40%. So unfortunately, there was a broken promise.

Mr Arnott: That was what I wanted to be enlightened about.

Interjections.

The Vice-Chair: We have two more minutes of time.

Mr O'Toole: There's another thing in our Road Ahead document—by the way, I'd recommend this as compulsory reading over the summer—about not eliminating, banning, the right to strike, but ours says that most of the negotiation process should occur during the summer when the students wouldn't be affected as much. I believe it was Dalton McGuinty, the leader of the Liberal Party, who had a bill before the House to eliminate the right to strike—I think he still secretly harbours that belief. Is that something you can comment on?

Mr Gerretsen: Maybe after a 25-day strike.

Mr O'Toole: I think he still believes that, but they'd never say it publicly, because they'd be on the hook with the teachers' union.

Interjection.

Mr O'Toole: No, no. Hey, keep your promises. You guys can't—

Interjection.

The Vice-Chair: Watch your language.

Mr O'Toole: Is there some truth to that, Minister? Have you heard that? Does that form any basis for our initiative with the right-to-strike issue in education—the Dalton McGuinty private member's bill?

The Vice-Chair: I would hope you had pitched that question earlier on. We have come to the end for today. Let me just wrap up before we adjourn. The ministry has three hours and three minutes left, which will resume on Tuesday, just for your information.

We stand adjourned until Tuesday immediately after routine proceedings.

The committee adjourned at 1800.

CONTENTS

Wednesday 18 June 2003

Ministry of Education.....	E-97
Hon Elizabeth Witmer, Minister of Education	
Ms Sue Herbert, deputy minister	

STANDING COMMITTEE ON ESTIMATES

Chair / Président

Mr Gerard Kennedy (Parkdale-High Park L)

Vice-Chair / Vice-Président

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gilles Bisson (Timmins-James Bay / Timmins-Baie James ND)

Mr Ted Chudleigh (Halton PC)

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gerard Kennedy (Parkdale-High Park L)

Mr Frank Mazzilli (London-Fanshawe PC)

Mr Norm Miller (Parry Sound-Muskoka PC)

Mr John O'Toole (Durham PC)

Mr Steve Peters (Elgin-Middlesex-London L)

Substitutions / Membres remplaçants

Mr Ted Arnott (Waterloo-Wellington PC)

Mr John Gerretsen (Kingston and the Islands / Kingston et les Îles L)

Mr Rosario Marchese (Trinity-Spadina ND)

Mr Bob Wood (London West / -Ouest PC)

Clerk / Greffier

Mr Trevor Day

Staff / Personnel

Ms Anne Marzalik, research officer,
Research and Information Services



E-9

E-9

ISSN 1181-6465

Legislative Assembly of Ontario

Fourth Session, 37th Parliament

Assemblée législative de l'Ontario

Quatrième session, 37^e législature

Official Report of Debates (Hansard)

Tuesday 24 June 2003

Journal des débats (Hansard)

Mardi 24 juin 2003

Standing committee on
estimates

Ministry of Education

Comité permanent des
budgets des dépenses

Ministère de l'Éducation



Chair: Gerard Kennedy
Clerk: Trevor Day

Président : Gerard Kennedy
Greffier : Trevor Day

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Copies of Hansard

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Exemplaires du Journal

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Tuesday 24 June 2003

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 24 juin 2003

The committee met at 1549 in room 151.

MINISTRY OF EDUCATION

Clerk of the Committee (Mr Trevor Day): Honourable members, it is my duty to call upon you to elect an Acting Chair. Are there any nominations?

Mr Rosario Marchese (Trinity-Spadina): I nominate Mr Crozier as the Chair.

Clerk of the Committee: Are there any further nominations? Seeing none, I declare the nominations closed. Mr Crozier is the Acting Chair.

The Acting Chair (Mr Bruce Crozier): Good afternoon, Minister. Welcome to the committee.

It's my understanding that the rotation will begin with the Liberal caucus. You'll have 20 minutes.

Mr Steve Peters (Elgin-Middlesex-London): Mr Chairman, a week and a half ago I asked the minister about the review of governance. It was an issue that is out there in rural Ontario right now. There are individuals who are concerned about the makeup of school boards and a concern that rural Ontario is losing out as far as representation is concerned. I also asked you about a resolution that had been passed by the Thames Valley District School Board asking for a review. I just wondered if you had any update for me regarding those issues at this time.

Hon Elizabeth Witmer (Deputy Premier, Minister of Education): No. I do know that obviously governance is a big issue on the minds of trustees and school boards in Ontario, particularly as we approach another election where they will be re-elected for three years.

But we will be setting up a review of governance, as we have indicated we would. We will certainly involve the stakeholders in that consultation because I think it's really important that we review what's there now and make sure the system we have in place is as responsive as it possibly can be to the needs of the students and obviously the constituents who elect those individuals and that school boards are able to work in a co-operative manner with the staff and the stakeholders they serve.

On the issue specific to Thames Valley, yes, we have received a letter from them expressing their concerns. I guess that's one of the big issues we need to address. We need to make sure that those people who live in rural Ontario feel their views are heard and not overshadowed by those who may be in urban centres that have greater

numbers. We will be following up, and I appreciate that you brought it to my attention.

The Acting Chair: Mr Kennedy.

Mr Gerard Kennedy (Parkdale-High Park): Madam Minister, I'm just wondering, we had asked for a number of items earlier, but specifically last time or the time before we asked about a list that the ministry may have prepared, how your announcements may match or respond to the Rozanski report. Is there any written material that the ministry's bringing forward today?

Hon Mrs Witmer: Certainly I am in a position where I can respond. I would still ask you, Mr Kennedy, for the copy of the resolution regarding private school funding that you said—

Mr Kennedy: It's in my hand, Minister, but I won't take my time with it. Maybe if you'd like to ask me a question during your time, I'd be happy to give it to you.

Hon Mrs Witmer: I'd be happy to see that resolution of that—

Mr Kennedy: I asked in fact about a month ago of the ministry for a summary of the Rozanski report recommendations. Is that forthcoming today?

Hon Mrs Witmer: I understand ministry staff are still doing the preparations.

Mr Kennedy: That's unfortunate, Minister. It's the singular report you received this year. There are 33 recommendations in that report. You have used language saying that you endorse the report, but on the public record you're not accepting, ratifying, sanctioning or approving the report because you're not doing it. I think the people of the province have a right to know. The ministry received this report in December. Do you mean to tell me you don't have a summary of what you've done on the Rozanski report? Is that what you're telling us here today?

Hon Mrs Witmer: The member knows that's not true. In fact, we have been following a very orderly and very balanced implementation plan. We certainly appreciated the recommendations made by Dr Rozanski and he recommended that over three years we implement his recommendations. We're doing that, and we are moving forward. He probably remembers that our first announcement included money for salaries, transportation and special education.

Mr Kennedy: I'll take that as a no because I'm asking a specific question. You don't have a report. You have nothing to share with the committee that has the over-

sight for your expenditure. The major report you had on funding the education system and the ministry doesn't have a single piece of paper to put forward about the progress you've made against the report.

That's unfortunate and really is a poor reflection. I find it hard to believe frankly because the staff told us a month ago that such a document existed and it could be shared. This is games-playing, simply not to put information on the table for the benefit of all the members.

Now, Minister, you've already decided that we're not going to have that, but I want to know then if you would give us your number, the total amount of money that you, as Minister of Education, believe you and your government have pledged toward Rozanski reforms. How much money do you think you have put toward the recommendations? Dr Rozanski said, "You've taken this money out of education; put it back." Here's the recommendation for \$1.8 billion. If I can modify my question: in your estimation, how much of that \$1.8 billion specifically have you now returned to the school system?

Hon Mrs Witmer: As the member knows full well, we were thrilled with the recommendations brought forward by Dr Rozanski and also that he validated the funding formula and told us it was working and was providing equity, stability and fairness to students in the province.

We have committed to implementing it over three years, as he recommended. He has indicated that there's a need for an investment of \$1.8 billion, and we've endorsed those proposals. We'll be moving forward to invest at least that much money over three years.

I think it's sometimes important that people keep in mind that he did make it quite clear that these investments were to happen over three years; the recommendations could be implemented over three years.

Mr Kennedy: Sure, Minister, but since you're not bringing us anything today—no specific numbers and no specific list of what you've done against the Rozanski report—the public is well within their rights to draw the conclusion that you're hiding your response, and frankly, I can understand that.

In your government platform, *The Road Ahead*, it does specify a little bit—we'd prefer to have ministry documents here today, but in their absence—you talk about \$895 million in announcements. In that list, you include the \$340 million for cost increases. So I just want to find out from you whether or not you believe the cost increases are part of the \$1.7 billion that Dr Rozanski asked for from your ministry. It seems to be what your political document is saying. I'm wondering if you as the Minister of Education draw the distinction between the \$340 million or not.

Hon Mrs Witmer: Dr Rozanski actually recommended that we implement the report, including the updating of the benchmarks, over three years, and that's precisely what we are doing.

I would repeat again that we're following a very orderly and balanced implementation plan for updating the benchmarks. In some cases, we actually updated the

benchmarks immediately for 2003-04, as we did with the benchmarks for the geographic circumstances grant. In other cases, we've publicly committed to benchmark increases in 2004 and 2005. For example—

Mr Kennedy: Minister, again, I really must ask you to answer the question. The question was quite different than what you're addressing. The question was very, very clear. In your political document—because you have no ministry documents to table with us today on the Rozanski report; shamefully, I think—there's \$340 million referred to as part of the response to Rozanski. I'm asking you as the Minister of Education if you consider it to be part of it, and you go on talking about something else.

I just want to refer, for you and for the record, to what Dr Rozanski said. He says, "I estimate that the ... benchmark costs ... will total \$1.08 billion ... excluding the additional cost of updating salaries and benefits." You'll find that on page 23 of his report.

Further, you'll find that in his report he says, "As far as I am able to calculate," the cost "is \$1.769 billion. This ... does not include all the costs."

On page 59, he goes on to say, "These salary and benefits costs will not be known, of course, until the current round of collective bargaining is complete. When they are known, they will have to be added to my estimated total."

So it seems very clear to me that your political document is misleading people by pretending that the \$340 million is part of that. If the members opposite object to "misleading," then at least that it doesn't square with what Dr Rozanski has asked for. He has said clearly that annual cost increases for salaries—and I note that you provided no money for non-salary cost increases, which he also asked for—he says on page 23, again on page 59 and again on page 24 that they're supposed to be excluded.

In your absence, I asked you that question, but I want it to be seen for the record that these dollars haven't been provided and that in fact, by your own calculation, once you take that out, you're right around the \$530 million or 31%. That's all you've done against Dr Rozanski.

I will say again for the record that we have produced a table here. We gave it to you last time, and in the absence of your providing any numbers—and if any of the members opposite lost their copy, we have it here. It's only 31% of what Dr Rozanski asked for over the next three years that you've pledged to do. This is all you've pledged to do.

1600

Minister, I've looked all over your campaign document and it says nothing about more announcements. You told us last time there would be more announcements coming. Now, I want to ask you a question and I'd like you to respect this committee by answering it directly: will there be any more announcements in this school year for Dr Rozanski's recommendations? Do you anticipate making any further announcements this school

year with respect to implementing Dr Rozanski's recommendations?

Hon Mrs Witmer: I thought we were doing estimates and not looking at our political documents. The race hasn't quite started—

Mr Kennedy: Well, Minister, you've refused to provide any—

Hon Mrs Witmer: I think it's important that we review the announcements that we've made of \$1.2 million in response to the recommendations of Dr Rozanski. We have, as you know—and by the way, the member was incorrect. We have set money aside for non-teaching staff as well as teaching. The \$340 million—

Mr Kennedy: But not for non-salary. That's what I said. Minister on that point, please, could you address the point of non-salary?

Hon Mrs Witmer: —is for salaries for teaching and non-teaching staff. There was also \$250 million for special education. There was \$50 million for the students at risk of not meeting the curriculum requirements.

Mr Kennedy: With all respect, I've asked five time for written documentation. It's what this committee deserves. I have provided mine. You don't respect this committee, this process or the public enough to tell them your official response to the Rozanski report. Rather than waste time reading into the record, I wonder if you could instead answer the question: do you anticipate any further new announcements this year respecting the Rozanski report? As the Minister of Education, could you share that information with the committee?

Hon Mrs Witmer: I just would like to quote from Dr Rozanski. I will tell you that in March of this year he said, "Within four months the government has taken seriously the recommendations and moved to implement more than \$1.8 billion in funding over three years."

Dr Rozanski also praised the government's plan to regularly review its spending. I don't think there is any better endorsement of the work the government has done in implementing the recommendations than from the mouth of the individual who actually chaired the committee who made the recommendations.

Mr Kennedy: You may wish that to be the case, that all you've got to do is get half of a quote of Dr Rozanski, but his report speaks for itself. You're mixing apples and oranges. He said the \$1.8 billion you talk about includes a lot of money, in fact, that is excluded from his principal recommendation. Minister, you've been out in the public, the Premier has been out in the public, your members have been out in their ridings trying to persuade people that apples and oranges are mixed together, and you hope people don't look. But the difference can be told right in the schools. That's the unfortunate thing about not having the election right away: this stuff will be known all around the province, that you haven't supplied the dollars, in fact, that Dr Rozanski asked for.

There are 33 recommendations and so far you have only addressed six of them publicly. You are here in this committee saying things like you endorse the report, but

there are 33 recommendations and you haven't responded to 27 of them.

I think it's actually quite apparent that it's not your version of the Rozanski response we're dealing with here, it's the Premier's. The Premier decided in October of last year, before he even saw the report, that that's all the money there was going to be and that's all the response there was going to be. It seems fairly clear that, for whatever reason, you have failed to get the additional dollars from the caucus. That's very unfortunate.

I would like to ask you now about this year's funding as a case in point. If we could, I want to ask you about the student-focused funding, which these estimates support. Looking at the 2003-04 allocations under the student-focused funding, your officials have this information put out. They have also provided some information in briefing. Quite simply put, the only money that can be seen going to boards is \$322 million. That's the difference between the amount of money you're allocating this year and the amount of money you were allocating last year.

I have, for members of the committee, if they would like, and for yourself, Minister, a copy of the student-focused funding page and I'd be happy to have that brought over to you if you like, if I could get the clerk to do that.

What I'm asking your attention to, in case it's not in your notes, is the fact that the difference between the amount of dollars that are being made available this year and the amount of dollars being made available last year for operating is \$322 million. When you include capital it goes to \$471 million. Minister, the point is that you've made promises that exceed that amount. You've made promises that are quite significantly in excess of the amount of extra dollars that you're allocating both to operations and to capital. So what I want to ask you is, can you or one of your officials reconcile for us how it's possible that if you're only increasing operating funds by \$322 million, but that you've promised \$358 million in just salaries alone, and then another \$255 million in other types of grant increases—you've got \$600 million in promises and only a \$322-million increase. I'm wondering if you, as minister, could tell us what the essential gap is made up of.

Hon Mrs Witmer: Since the member chooses not to listen to the answers, I'm going to ask my staff to come up.

Mr Kennedy: You mean you don't know the answer?

Hon Mrs Witmer: Mr Hartmann, a very knowledgeable man, will respond and I'm sure he'll try again to let the questioner have some facts.

Mr Kennedy: Minister, your lack of co-operation is noted.

The Acting Chair: Mr Hartmann.

Mr Kennedy: It's Mr Gooch, actually.

Hon Mrs Witmer: Mr Gooch is going to come up.

Mr Kennedy: Mr Gooch, if I could then draw your attention to the student-focused funding sheet for this year and to the reconciliation that you handed out earlier

this year concerning in-year salary costs, which totalled approximately \$358 million: you would acknowledge, would you not, that the operational increase, the difference between \$14 billion, \$247 million and the prior figure for the previous year, is approximately \$322 million, is the difference in operating this year, not including the \$114 million that you haven't given out yet? Is that correct?

The Acting Chair: I would remind you that we have two minutes in this round.

Mr Kennedy: OK.

Mr Peter Gooch: My name is Peter Gooch. I'm the director of the education finance branch.

Mr Kennedy, it's very difficult to divide up the funding. You know how it works with funding: you could slice it this way and slice it that way. I think you're looking for all the increases announced for Rozanski in operating funding. However—

Mr Kennedy: Let's go to all funding, then. You've made promises that are larger. I've got two minutes. I wonder if I could ask you this specific question—

Mr John O'Toole (Durham): Let him finish.

Mr Kennedy:—before the two minutes are up, Mr Gooch, and I'll come back and give you a chance to do the longer answer.

The Acting Chair: I'll stop the clock.

Mr O'Toole: On a point of order, Mr Chair: On two occasions I've been listening he has accused the minister of lying. He should actually withdraw the question and his statements and he has refused to allow ministerial staff to respond. You, as the Chair, should take some control. I'm quite surprised at your inability to control the member on the other side.

The Acting Chair: You may want to antagonize Mr Kennedy, but you don't want to antagonize the Chair.

Mr O'Toole: I'm asking the Chair to make a ruling.

The Acting Chair: I heard one word of misleading—

Mr O'Toole: You didn't rule on it, though.

The Acting Chair: Will you please listen? I heard one word of misleading. I checked with the clerk because I feel we should use the same rules here that we do in the House. The point wasn't raised and I let it go at that. I was quite prepared to bring that up again. I have not heard the word "lie," in which case I would. Thank you, Mr O'Toole.

Point of order, Mr Arnott?

Mr Ted Arnott (Waterloo-Wellington): Thank you, Mr Chair. You've given us some time to raise these issues. I would just ask you, as Chair, to use your good offices to ensure that all members of the committee treat the witnesses with due respect. I find that Mr Kennedy's behaviour is from time to time extremely boorish and his constant interruptions are very annoying. I think for all members who are sitting here and for the members on this side of the House. I would ask you to call him to order when he continues to interrupt and not listen to the answers that are forthcoming.

The Acting Chair: I certainly will take your advice. I think the minister is quite capable of answering the ques-

tions. The time is allotted to the opposition and, as you know, these committee meetings are often free-flowing. I'll take your advice under consideration.

Mr Frank Mazzilli (London-Fanshawe): On the same point of order, Mr Chair: you did address the misleading part. I would ask, now that it has been brought out, that Mr Kennedy withdraw that comment.

1610

The Acting Chair: If Mr Kennedy chooses to, he can withdraw it.

Mr Kennedy: I made the modification at the time, Minister.

The Acting Chair: Thank you.

Mr Kennedy: Again, if they want to waste their constituents' time, I'd rather not. I'd rather ask Mr Gooch the question within the time allowed.

The Acting Chair: Let's move on, please.

Mr Kennedy: Mr Gooch, I wonder then if I could ask you a simpler question. I'll come back to the longer question. I do apologize. I know that would take more than the two minutes.

Can you tell this committee, when it comes to adding up the promises the government has made, how much of the money is coming from the double cohort? In other words, how much in savings is realized—not net, but actual savings from the combining of grade 12 and grade 13—how much does the ministry estimate then becomes available to boards that was there as savings? Do you have a number to share with us today?

Mr Gooch: I do not have that number with me, sir.

Mr Kennedy: Could I suggest—

The Acting Chair: Thank you.

Mr Kennedy: I'll have to get back to you with that.

The Acting Chair: We'll move on to Mr Marchese.

Mr Marchese: Madam Minister, I'm still interested in Mr Christie, not because I know him and not because I dislike him—

Hon Mrs Witmer: Good, because I don't know him.

Mr Marchese: I have not much reason to dislike him, really. I may have met him once or twice, possibly; I don't know. I just wanted to ask you a couple of questions about him and what is going on at the Toronto board. Do you have a sense of when Mr Christie might be leaving?

Hon Mrs Witmer: As the member knows, the reason that Mr Christie is there in the first place is because the trustees, unfortunately, did not choose to submit or pass a balanced budget. As a result, when the law was broken, we appointed a supervisor to help bring some financial stability to the board. That, as you well know, is a challenge.

Mr Marchese: Right.

Hon Mrs Witmer: We'll take a look at the audited statements in November and obviously go from there.

Mr Marchese: Did Mr Christie bring about the financial stability that you were looking for last year?

Hon Mrs Witmer: I think Mr Christie, in conjunction with Mr McVicar and Mr Reid, has endeavoured to provide equity throughout the geographical area that is

served by the Toronto board. As you know, the Toronto board, like other boards in the province, is part of the amalgamation of several boards. As you probably know as well, there was a lot of inequity within the system. There were services provided in Toronto that maybe were not provided in other parts of the city. So I think they've really focused their attention on providing equity to all students.

Mr Marchese: Would you say the trustees were trying to do the same as well, or not?

Hon Mrs Witmer: Do you know what? I don't have a lot of information on the trustees. I know there are a lot of hard-working people there.

Mr Marchese: But the trustees didn't balance the budget, and you said that was naughty.

Hon Mrs Witmer: They actually didn't even submit a budget.

Mr Marchese: OK. But then your Mr Christie was supposed to balance the budget and didn't. Why didn't he do that? That's what you asked him to do.

Hon Mrs Witmer: We gave the trustees an opportunity to move toward a balanced budget. As you know, there was a projection of some funding that they could have used originally. The objective that we gave Mr Christie was to submit a plan to arrive at a balanced budget.

Mr Marchese: So trustees didn't use some funding that could have been available to them. Why didn't Monsieur Christie use the same opportunities?

Hon Mrs Witmer: Again, Mr Christie's objective has been to work with the people on the board, the board staff, Mr Reid and others, to develop a plan that would restore the board to financial health.

Mr Marchese: Did it disturb you that he didn't balance the budget?

Hon Mrs Witmer: I think it's really important, Mr Marchese, that you take into consideration how you can provide equity of opportunity and services to all of the students that are served by the board. So I think we talk about a plan. Obviously, in the case of the other two boards under supervision, there wasn't the size of deficits. So we look forward to working with people who have a plan to, at the end of the day, get us there.

Mr Marchese: But if Mr Christie had a problem in terms of being able to balance the budget because he was trying to achieve some equity, do you think the trustees might have had the same problem?

Hon Mrs Witmer: I would go back and I would say to you that there was not even the submission of a budget to the Ministry of Education.

Mr Marchese: OK. So they didn't submit a balanced budget or even submit whatever; therefore, that was bad.

Hon Mrs Witmer: The Education Act does require that those steps be taken.

Mr Marchese: But does the Education Act require the supervisor to balance the budget when you asked him to?

Hon Mrs Witmer: What we look for in all cases, Mr Marchese, is that people would work with us, if there are

financial challenges, to develop a plan that would ensure financial stability within the system.

Mr Marchese: Were you prepared to work with the trustees to work on a plan?

Hon Mrs Witmer: We were. There are certainly many trustees within that board who know that we were quite prepared to do that. As you know, Mr Marchese, that board has had some difficulty internally and has been very divided.

Mr Marchese: Yes.

If the supervisor doesn't submit a balanced budget, is he breaking the law, by any chance? Do you know?

Hon Mrs Witmer: I could ask the ministry staff. I think the goal at the present time is to work toward a plan that would bring the board to a position where there would be a balanced budget. That might take one year, it might take two years, it might take three. But obviously you need to develop a plan that is going to get you to a situation where the budget is balanced.

Mr Marchese: Deputy, is he breaking the law?

Ms Sue Herbert: My understanding is that the supervisor has to bring forward a plan to the minister.

Mr Marchese: Does he have to balance the budget or does he have to just bring you a plan?

Mr Norbert Hartmann: For the purposes of Hansard, Norbert Hartmann, assistant deputy minister.

Under the Education Act, the supervisor has a lot broader discretion. The supervisor must bring in a plan as to how to balance the budget but has the opportunity to do it over a number of years as opposed to one year.

Mr Marchese: Does it seem unfair to any one of you at the table that the supervisor had discretion to bring a plan within three years, and possibly longer, versus the board not having the opportunity or versus the elected trustees saying, "We can't submit a balanced budget because to do so would be to create inequity in the system that would be hurtful"? Does it seem unreasonable to you?

Hon Mrs Witmer: Again, Mr Marchese, I did meet with the chair of the board on several occasions. I met with different trustees on the board. As you know, there was a division within the board. There were some who were anxious to come forward on behalf of the students and to work and present us with their attempt at a balanced budget, and there were others who simply made a decision that they were not prepared to submit a budget to the ministry.

I really think that the division within the board contributed to the situation where it became necessary to appoint a supervisor to ensure financial stability and also get the board back on track.

Mr Marchese: I understand your point. That's not what I was saying. Do you find it unfair that the supervisor is given ample time—whatever time he needs, and well paid, I might add—to be able to submit some plan that could take a year, possibly two, possibly three? Do you find it unfair? Why do you give him such leeway?

Hon Mrs Witmer: I think we need to keep in mind that right now we have not seen any of the audited

statements from last year. As you know, he is presently reviewing what has happened this past year and looking ahead to what is going to happen in the future, so I think it would be premature for us to speculate as to what may or may not be.

As I say, it's regrettable that the trustees couldn't and didn't submit a balanced budget because of division within the board. We have a responsibility, then, to ensure stability and appoint a supervisor.

1620

Mr Marchese: Sure. I appreciate that too. But don't you find it unfair—forget the question of unfairness, because you haven't answered it twice. But do you find that giving Mr Christie so much leeway is a good thing? Why so much leeway?

Hon Mrs Witmer: Well, do you know what? The trustees actually had a lot of leeway. If you go back to the period of time when boards were amalgamated and the student-focused funding formula was introduced, in 1998, they actually had five years and were given \$900 million in mitigation funding to balance their budget. Boards of education throughout the rest of the province also went through an amalgamation experience, had the same five years and were given mitigation funds—none as much as \$900 million—and were able to move forward. So I think it demonstrates that five years and \$900 million were given, and they were still were not able to balance their budget at the end of the day.

Mr Marchese: And here's my question. With all this money the board was getting, why isn't the supervisor solving this quickly?

Hon Mrs Witmer: Again, we've not seen any of the final figures, so I can't speculate on what may or may not be.

Mr Marchese: Right. But you said the boards received so much money. The money's there. Christie should be able to just chop it, no time. What's going on?

Hon Mrs Witmer: I think it's also important to keep in mind that this \$900 million that I mentioned to you is available in mitigation funding over five years had already been spent by the board.

Mr Marchese: Right. But if it's spent unwisely—

Hon Mrs Witmer: So obviously there was not \$900 million more for the supervisor or for anyone else to spend. That money had been spent.

Mr Marchese: OK. But if it's been spent unwisely, why isn't Christie able to sort of just get rid of those bad programs that you don't like or think shouldn't be there?

Hon Mrs Witmer: Well, it really makes no difference as to our personal opinion. It really is up to the people who are part of the Toronto school board to make decisions as to how programs are funded and where programs are going to be provided. Let's keep in mind that this deficit that the trustees have created over many, many years.

Mr Marchese: OK, but I don't—

Hon Mrs Witmer: And to this day, despite the fact that they got the mitigation funding, there is still not

equality of services and programming provided to the students.

Mr Marchese: OK. That's a good point you make, and we could discuss that. I have no problem discussing issues of equity, because that interests me. Most of my life has been based on that kind of issue. But we'll put that aside for a few moments.

The job of the supervisor is to balance the budget, is it not? That's his job. That's why you hired him, right? That's why you put him there.

Hon Mrs Witmer: His job is to come up with a plan which will lead to financial stability and a balanced budget.

Mr Marchese: And in your view, what kind of leeway would you give to this man to balance the budget? Six months? A year? A year and a half? Two? Two and a half? Three? Would you be happy with someone sitting there for three years, with a board elected and not being able to do very much? Why are you happy with him having to take so long to balance this budget?

Hon Mrs Witmer: Well, do you know what? I'm not going to speculate about how long it's going to take him to get there. As I say, we still need to see the audited statements from last year. We need to take a look at what the budget will look like for the coming year. What is important is that we arrive at a point where there is a plan that will successfully see this board come out of the deficit situation that's been created as the result of many years and bring us to a place of financial stability, as the Education Act requires.

Mr Marchese: Right. How much money is this group costing us, Christie and company?

Hon Mrs Witmer: I don't have those figures.

Mr Marchese: Deputy, do you know?

Ms Herbert: No, I don't.

Mr Marchese: Assistant Deputy? So far?

Mr Hartmann: The two together are costing us approximately \$300,000.

Mr Marchese: And "the two together" is who and who?

Mr Hartmann: The supervisor and his advisor.

Mr Marchese: And what about all the other folks who are still there? Are these two people the only ones working there?

Mr Hartmann: Those are the only two who are there at this point.

Mr Marchese: And the other media folk who were there, are they gone?

Mr Hartmann: I believe they may have hired some media folk, but I don't know what arrangements they have made with the people they have hired directly.

Mr Marchese: They can just hire and—you don't keep track of how much money they cost the taxpayers, do you, by any chance?

Mr Hartmann: They have the power that any school board has to hire any staff that they feel they need in order to—

Mr Marchese: Sure, of course. I understand that.

Elizabeth, does it worry you in terms of the costs to the taxpayer for the folks there, the supervisor and the other folks that they're hiring? Does it worry you in terms of what the taxpayer is picking up to fix this problem?

Hon Mrs Witmer: I think what worries me most, Mr Marchese, is that despite the fact that there were five years and \$900 million in mitigation funding, the trustees were not able to balance the budget, despite the fact that other boards in the province of Ontario in similar situations did move forward and attempt to do so. I think the board has sometimes been described as dysfunctional because of the division—

Mr Marchese: So you want to punish them for a long while, really, don't you? Beat them up a bit?

Hon Mrs Witmer: No. They broke the law. They chose to refuse to pass a balanced budget. As you know, they were split. They were probably split as evenly as you can be split. I think it's regrettable; however, I'm confident that as we move forward, we will come into a position where there will be a plan to achieve a balanced budget.

Mr Marchese: Yes. How long has he been there now, Mr Christie et al?

Hon Mrs Witmer: I think he arrived on the scene last summer.

Mr Marchese: Last summer. So in a month or so—was it June? Do you know? Anybody?

Hon Mrs Witmer: I think we had gone away for—I think it must have been July, because the House wasn't sitting.

Ms Donna Marafioti: August 30.

Hon Mrs Witmer: August 30, there we go.

Mr Marchese: August 30. We're almost there. Can you believe it, a year? He must be enjoying himself, I would think. It's a good job. By the way, how much is he getting, Assistant Deputy?

Mr Hartmann: I think he's getting \$180,000.

Mr Marchese: God bless. I like that. I wish I could get a job like that for a couple of years. It's not a hard job, I don't think. All he has to do is submit a plan. He's been there almost a year. He still doesn't have a plan.

Mr Ted Chudleigh (Halton): It's the same job as the entire board.

Mr Marchese: Yes, he's managing the whole thing. He's "le roi" of the board.

Mr Chudleigh: He's doing a better job too.

Mr Marchese: Yes, I bet. If you give him another year, he's going to do a superb job. I think he's breaking the law, by the way. I really do. He really should be balancing his budget. I think he's breaking your laws and ours. I really do. What, \$180,000? Is he going to have a pension after this?

Mr Hartmann: Not under the terms of the appointment.

Mr Marchese: He must have been sad about that.

Mr O'Toole: What does a director make on that board?

Mr Marchese: What, the director? He's well paid too, I think.

Interjection.

Mr Marchese: Yes, \$220,000 or something. God bless him too.

In the last board meeting, I understand people were so anxious—

The Acting Chair: Excuse me, Mr Marchese, two minutes?

Mr Marchese: Two minutes—see how time always flies?

In the last board meeting, the board that "le roi" had, people were expecting him to give his balanced budget plan and, as far as I know, he didn't submit anything. Does that worry you? It's the end of the year. This Thursday, school's out for the summer. Teachers don't know what's going on. Parents won't know what's going on. Marchese doesn't know. Maybe even the minister doesn't know. Christie, before the end of the year, still, at \$180,000 a pop, doesn't have a clue what the plan is for the next year. When do you think we might know, from the note you're about to get? I love those little notes.

Hon Mrs Witmer: Well, I'm going to discard the note.

Mr Marchese: Yes, who needs it. Speak from the heart.

Hon Mrs Witmer: I would just remind the member that the Toronto school board this year has received an increase of 5%, despite the fact that their population has declined by 4.2%. Also, you should keep in mind that they have settled the two contracts with the teachers. So they're actually in a very stable position.

Mr Marchese: So we don't need this Mr Christie fellow there for \$180,000 a pop. Why do we need him? The board is doing so well. They're getting so much money. What gives? It troubles me. It's the end of the year. He hasn't announced what it's going to look like for next September. Does he talk to you? Does he call you? No? Deputy, does he call you every now and then and say, "This is my plan"? Don't you call him saying, "Hey, Christie, where's the plan?" Assistant Deputy, do you call him every now and then and say, "Where's the plan, Christie?"

1630

Mr Hartmann: Only to communicate the requirements for the submission.

Mr Marchese: What's that—

The Acting Chair: Thank you, Mr Marchese.

Mr Marchese: We'll get back to that.

The Acting Chair: The government—I think they would understand—has three minutes.

Mr Arnott: I want to compliment the minister on her sincere and continuing interest in trying to identify the needs of our at-risk students and trying to find solutions to assist them to achieve their full potential. I know the minister, in her professional career, spent many years as a teacher in the classroom choosing to work with many of these students who were struggling at times and helping

them to achieve their maximum potential. Again, I think that's something, Minister, that you've carried through in your opportunity to serve the people as Minister of Education, and you deserve a lot of credit for that.

I know that a few months ago you appointed a working group for at-risk students to determine the best professional advice you could receive as to what we might be doing in the short, medium and long term to assist these students with the goal of allowing them to achieve their full potential. I was hoping you might be able to outline for the committee members some of the strategies that you've employed in that respect.

Hon Mrs Witmer: First of all, I want to pay tribute to Barry O'Connor, the director of the Limestone board, and all the educational stakeholders who contributed to helping make recommendations as to how we could best support students at risk in the grade 7 to 12 area.

We have \$50 million that we have now committed to invest in those young people. I want to tell you that we will have at-risk leaders in September—they have been identified already—who are going to work with these students throughout the province, work with the teachers and administrators. They're going to improve the teaching methods in numeracy and literacy across the curriculum. These are extra resources and they are going to share their best practices.

We're going to have enhanced workplace preparation programs, better pathways that will allow these students to transition from school to work, additional remedial programs within the school day and flexible school timetables to accommodate these young people. All of this is part of the recommendations brought forward by Barry O'Connor, and we're going to continue to make sure that every student in this province who has a problem and who may be considered at risk has the opportunity, as Mr Arnott has said, "to achieve their full potential."

When they leave school, they can go directly to work, into apprenticeships, college, or university. We've now provided the tools and strategies to the school boards in order to make sure that our students can achieve the success that they deserve. I think it's pretty exciting.

These same students are going to be able to take a grade 12 course that will allow them to demonstrate their competency in literacy, and if they have not yet passed the grade 10 literacy test, they can do it in a grade 12 course and they will get the OSSD diploma. I think this is an exciting time in the lives of these young people. We're going to have more young people than ever before being able to stay in school and not drop out because of the flexibility and the additional curriculum and staff who are going to be hired to support these young people.

The Acting Chair: We'll move now to the Liberal caucus, and they have 20 minutes.

Mr Kennedy: I would like to ask Mr Gooch a question, if possible, Minister, or if you'd like, I'd be happy to try to put it to you. I'm looking for an explanation of the apparent discrepancy between the amount of money that funding is increasing this year—some \$471 mil-

lion—and about \$613 million worth of promises that have been made. I'm wondering if I could relate these to some specific documents for you, Mr Gooch. In your technical briefing, you show in-year salary costs on a line-by-line basis and then I believe you show a total of approximately \$358 million in your salary increases. Is that correct?

Mr Gooch: Not \$358 million.

Mr Kennedy: What would be the total, then, approximately?

Mr Gooch: The number we have estimated for school boards is about \$340 million for salaries for 2003-04, after the in-year changes.

Mr Kennedy: So about \$340 million. I have a technical briefing document that adds up a little bit differently. Maybe I could get that from you some other time.

Secondly, I have a listing here of the other specific changes emanating from the Rozanski report that the government has committed to do in this fiscal year. I know we couldn't get a list of them from the government, but I'm wondering if you could advise us—you did in the technical briefing but I just want to validate with you. They add up to approximately \$255 million. Does that number sound about right, or do you have a different number to share?

Mr Gooch: The number we have talked to school boards about for total enhancements for 2003-04, announced so far, is \$551 million.

Mr Kennedy: The \$551 million you're referring to—I did get a slightly different number, and I'll just bring you back again because I really would like to understand this. Approximately \$340 million in salary increases for 2003-04—

Mr Gooch: Right.

Mr Kennedy:—and then I guess you'd be saying that the balance of that \$551 million, approximately \$211 million, would be distinct from salaries and relate to other specific promises the government has made?

Mr Gooch: Would you like me to enumerate them for you?

Mr Kennedy: I would be happy to have them in writing. Do you have them in writing to share with everyone?

Mr Gooch: I have them right here. They're not that long.

Mr Kennedy: Sure. Why don't you go ahead? I'll check them off against the list we have from the briefing.

Mr Gooch: Transportation, \$20 million.

Mr Kennedy: Yes.

Mr Gooch: Students at risk, the GOALS program, \$50 million.

Mr Kennedy: Right.

Mr Gooch: School renewal, the initiative to repair schools, and where repair costs are prohibitive, to replace those schools, \$25 million; school renewal, added to all school boards for the most pressing needs, another \$25 million; classroom supports, that is, the benchmark increases for textbooks, one third of the \$66 million promised, \$22 million.

Mr Kennedy: Yes.

Mr Gooch: The rural education strategy, \$50 million; and changes for small, rural and northern schools, \$19 million. Those things together come to \$551 million.

Mr Kennedy: I guess the distinction I was trying to understand is the amount of money for special education. There was approximately \$201 million that flowed last year.

Mr Gooch: Yes.

Mr Kennedy: I understood from the briefing that the full \$250 million, or even more, would flow this year, depending on the number of applications.

Mr Gooch: Yes, as a result of the ISA review.

Mr Kennedy: That wasn't on your list.

Mr Gooch: That's correct, because we don't double-count our increases. We announced an approximate \$250 million last year.

Mr Kennedy: But it didn't flow last year.

Mr Gooch: Not all of it.

Mr Kennedy: Right.

Mr Gooch: But we haven't double-counted it in our \$551 million either.

Mr Kennedy: OK.

Mr Gooch: So when the government talks about \$1.1 billion, we haven't double-counted special ed.

Mr Kennedy: There was a member of the minister's staff who said the \$250 million was flowing at the end of the month in April. We'll come back to that, actually.

So you're saying there is \$50 million in special-ed money that is new this year; is that not correct—the rest of the \$250 million?

Mr Gooch: There will be an additional allocation for special education as a result of the ISA review.

Mr Kennedy: Let me go with your number, because we don't have it in writing, strictly speaking. But that's the difference: I'm saying \$611 million and you're saying \$551 million.

Mr Gooch: Right.

Mr Kennedy: If you look at the number change from the prior year on the student-focused funding, even with the money you haven't allocated to the boards yet, the almost \$115 million, there's a \$471-million increase from last year.

Mr Gooch: No. In total dollars there's a \$531-million increase from last year.

Mr Kennedy: Just help me through this; we won't spend too much time on numbers that may not benefit other people. But \$15.325 billion is your current number, correct?

Mr Gooch: Yes.

Mr Kennedy: And this is a change of \$14.2 billion against the projections for last year; is that right?

Mr Gooch: There was a projection last year—

Mr Kennedy: Pardon me. I've got the wrong—

Mr Gooch: —from May, before we get to the Rozanski in-year enhancements. That was \$14.2 billion. It was then amended to \$14.794 billion. The difference between the \$15.2 billion that we're discussing and the \$14.8 billion is \$531 million, with rounding.

Mr Kennedy: Given that, how much implication is there—is it the difference between what you're saying, and I'll take your figures for the moment, \$530 million and \$550 million? Is that the only implication for double cohort savings?

Mr Gooch: No.

Mr Kennedy: What are the other implications, and where would we find them?

Mr Gooch: We're making a comparison between operating and funding. You used the line there about the total allocation for operating purposes, and you were quite reasonably looking for the salary increases and the other changes to the benchmarks for learning resources, operating and so forth. This gets a little bit complicated, but there is, as you said, about a \$323-million difference in year over year in operating, and we're talking about a \$550-million increase. So where's the difference?

The first place to look is, that \$50 million of that \$551 million is not in operating funding; it's for school renewal.

Mr Kennedy: Yes.

1640

Mr Gooch: Further, we haven't allocated \$50 million for the rural allocation strategy. So that takes us to about a \$423-million difference. We've accounted for \$100 million. We've added \$100 million to the \$323 million. There's the \$323-million difference, and you're wondering where the \$551 million is. Fifty million dollars hasn't been allocated, so it doesn't show up in the 2003-04 number yet, and \$50 million isn't in operating. So we still only have to account for the difference between \$551 million and \$423 million. That number is about \$130 million. You asked earlier what the savings are from enrolment changes in student-focused funding, and that's your answer. It's about \$130 million.

If you look at the enrolment changes and do the calculation, you would see that student-focused funding is providing funding for approximately 2% fewer students, in our projections, compared to last year.

Mr Kennedy: Thank you for that.

There is a number anomaly that I think you might be able to help us with. Declining enrolment: quite apart from everything else we've discussed, although that is there as part of the change, it's not part of the salary increase and it's not part of the Rozanski commitment, per se. I see the declining enrolment was put off to the year after. Is that correct? So the three years won't apply until next year, until 2004-05?

Mr Gooch: As Dr Rozanski recommended, precisely as he recommended; we only introduced the declining enrolment adjustment in the current school year, the one we're in right now, 2002-03. We had made a commitment at that time to extend the adjustment for a second year. He recommended that we add a third.

Mr Kennedy: But the \$83-million increase there is still on the two-year basis. Is that correct?

Mr Gooch: Yes.

Mr Kennedy: In other words, you'll fund approximately half of that next year.

Mr Gooch: It depends—

Mr Kennedy: Well, it depends on how much of it came from the year before and so on.

Mr Gooch: It depends on the government's decisions about what the third-year adjustment looks like.

Mr Kennedy: OK. But suffice it to say that \$83 million is a new cost arising from the double cohort. Yes?

Mr Gooch: It offsets the impact.

Mr Kennedy: Some of the impact; about 25%, 27% of the cost of a student leaving.

Mr Gooch: We're talking about a 2% decline in enrolment.

Mr Kennedy: That's \$300 million.

Mr Gooch: Most of the funding is driven, so it would be a significantly higher number than \$130 million. There are two reasons for that. One is that the declining enrolment adjustment offsets some of the revenue loss.

Mr Kennedy: Yes, that's what I'm trying to understand.

Mr Gooch: The other reason is that there are many elements of student-focused funding that are not on a one-to-one correspondence with enrolment.

Mr Kennedy: Can I ask you about that? Again, it would have been better if we'd been able to get a few of the items I asked for in writing. In essence, you've got an in-year salary cost in the document you handed out of around \$226 million just in the foundation grant alone—\$340 million overall.

Mr Gooch: I believe that's correct. I don't have the numbers in front of me.

Mr Kennedy: But there has only been about a \$48-million change in the foundation grant and then another \$8 million in what's called local priorities—about \$55 million. So obviously there are two offsetting things happening: there is less eligibility for a foundation grant because of declining enrolment, and there is some increase to reflect the fact that you're giving at least the salary portion this year. Correct?

Mr Gooch: Right.

Mr Kennedy: Other than declining enrolment, obviously that foundation grant goes down, net, for quite a number of boards. Only the high-growth boards would stay even.

Mr Gooch: Yes.

Mr Kennedy: I just wanted to double-check that that's a fair inference to draw.

I wonder then, in terms of the amount of money that's being spent this year—it's \$551 million, and approximately \$340 million of that is for salary increases. I wonder if I can ask you—and if it's an unfair question, just let me know—the \$340 million is for cost increases, and you do recognize that Dr Rozanski says on page 23 and elsewhere that that's not part of his structural recommendation, that that's a cost in addition. Do you recognize that, as the person responsible for totting these things up and keeping records of where money is being spent?

Mr Gooch: I believe the minister has answered that question.

Mr Kennedy: So you're declining to answer. OK.

I think it's strange. The fact that you and the minister and the whole ministry assembled can't answer a straightforward question that is there clearly in the book I think shows very clearly why the government keeps interrupting, why the government is so afraid of things, because this is apples and oranges.

Mr Gooch: I could provide the answer I gave to the school boards, which is that you have \$340 million more now than you did last year.

Mr Kennedy: With all respect, Mr Gooch, if a politician had said that, I would take some umbrage at it. I think the ministry is probably glad to see there is a cup of water going out to people who haven't had it.

Let me just put forward a perspective to you. If you can respond to it, particularly in writing, because maybe there are some materials you brought with you, if you calculate the CPI from 1995, in other words the cost of inflation, and if you calculate the change in enrolment, including the reduction in the most recent year, you get the approximate value of today's funding versus the funding back in 1995.

The figures I have for that would show that approximately \$2 billion had gone missing from the current dollar funding of education, and then with the double cohort and some of the little bits of injections we've had, that number today stands at about \$1.6 billion. In other words, if you took inflation in enrolment and added it to the funding in 1994, and brought it forward to today, there's about \$1.6 billion missing from what would have been a comparable board education dollar today. Do you have any studies or analyses that could speak to that? Do you have a different perspective you could put forward here today? One of the findings in Dr Rozanski's report was that since 1997, benchmarks hadn't been kept up, but specifically he's speaking to enrolment and inflation. Would you agree or do you have any other studies on that?

Mr Gooch: I don't have that information in front of me. I can't verify those numbers. I would comment that Dr Rozanski was charged with looking at the benchmarks, among other things. He did a more finely grained analysis than simply comparing—

Mr Kennedy: He did, but it's interesting that he came out with a number of \$1.7 million from 1997. In other words, he said there's a billion dollars in benchmarks, which is almost exactly—if you look at his work at the back, he basically says he didn't apply inflation, and then on salaries we're going to put less than inflation back in, so he's putting back less than this.

Interjection.

Mr Kennedy: I want to be clear. Is there any document the ministry keeps that would tell us the impact, every year since 1995, of inflation in enrolment on the ability of boards to pay their bills? I want to give you one quote from Dr Rozanski where he says very clearly that he finds the gap, the amount of money boards have to spend versus the 1997 spending guidelines, to be a problem. To me, that's the root issue, that he says this is

a problem. Far from what has been said, he didn't say everything was fine. He said this was a big problem. He raises adequacies on several occasions. Does the ministry not keep its own records of whether the boards are struggling with the costs of inflation or of increased enrolment?

Mr Gooch: The ministry spends a great deal of effort and time collecting data and also speaking with senior officials on the school boards about those very issues, of what their costs are and what concerns they have about ongoing costs.

Mr Kennedy: Dr Rozanski said \$1.7 billion was missing. The government is proposing to put back, by our estimate, about \$529 million. You don't have, by the minister's account, any other list to bring to us today. Inflation would say there's a higher number still missing, because we concede that some of that \$529 million has found its way in. But it would seem that there's still a very large gap, a lot of money missing from students in this province compared to the money that was being used to provide them with education services in 1995. Does the ministry have an outlook on that? Do they independently analyze Dr Rozanski's recommendations in that regard? Anything at all?

Mr Gooch: We don't do inflation analysis because we don't believe it's an accurate reflection of school board costs.

Mr Kennedy: OK, but you acknowledge that it is impacting, that Dr Rozanski says it impacts and that Dr Rozanski quantified that number?

Mr Gooch: Yes, we do.

Mr Kennedy: And you acknowledge that the total number impact, plus what he thought were missing parts of the formula or investments, was about \$1.7 billion, but you aren't prepared to say how much of that the government has already committed to or not. Is that correct?

Mr Gooch: I think the government's public materials reiterate over and over again what—

Mr Kennedy: I think you know the minister says \$1.8 billion, which is not about the money they've put back; it's about how much money they put in the budget last year before Dr Rozanski even reported. They're comparing the numbers going backwards. In fact, when the Premier came out with a \$2 billion—

Mr Gooch: I assure you, Mr Kennedy, that every dollar attributed to a response to the Rozanski report was added after—

Mr Kennedy: OK. Can we have the response to the Rozanski report in writing from the minister? We would be quite interested to have that. Do you have that with you?

1650

Mr Gooch: I believe you could go to the Web site after every announcement and find—

Mr Kennedy: OK, I've done that and this is the report that I've tabled. It's called Failing Rozanski. It's available to any member of the public and it shows the distinction between the catch-up, which Dr Rozanski

said—there's this much money less happening. As I say, some estimates put it as high as \$2 billion, but he says there's \$1.7 billion needed to catch up, and then he said you have to keep up. Every year there's \$340 million that you decline to give an opinion about, but he was very clear: that's not included in the \$1.7 billion. Your minister includes it. Your deputy and your Premier include it, and perhaps you may have to as well today.

But I'm wondering, is there no corresponding document? The ministry has had this for a week. Does the ministry not have any corresponding document to show us, maybe in a more positive light, what exactly they are doing for the students of this province vis-à-vis Dr Rozanski?

Hon Mrs Witmer: Mr Chair, I said at the outset that the government was following an orderly, balanced implementation plan for updating the benchmarks, and did review. We believe that it is important that the benchmarks be kept current, so we are following the recommendation made by Dr Rozanski whereby he says that we need to work with the sector to develop mechanisms for annually reviewing and updating the benchmarks and the funding formula and for conducting a more comprehensive overall review of the funding formula every five years. That process will begin very shortly.

I think it's also important to put on the record that—

Acting Chair: Minister, with respect, I have two minutes.

Hon Mrs Witmer: —the budget announced a floor for education that our partners can count on.

Mr Kennedy: Minister—

Hon Mrs Witmer: It did not announce a funding ceiling. So we are moving forward.

Mr Kennedy: But this year it is a ceiling. We heard from Mr Gooch that exactly what's in the budget, approximately \$500 million, is all that the students of the province can get. They're not going to get any money for more teachers; no increase in the foundation grant that Dr Rozanski asked for, except for a little bit of money for teaching materials. That's all they're going to get this year: \$22 million. He asked for \$477 million. Do you agree—

Hon Mrs Witmer: Please keep in mind—

Mr Kennedy: Minister, I want to ask you a question.

Hon Mrs Witmer: —that it's over three years.

Mr Kennedy: Yes, he did, but you are giving zero. You're giving zero this year for the teaching component, the foundation grant.

In your budget it says \$500 million for next year and \$400 million the year after that. Your election document doesn't say you're going to give any more money. There's no reason to believe that you're going to announce more money. You don't have any for this year. You would have to come up with \$1.2 billion on top of inflation over the next two years. There's no feasible way to believe that's something that you're going to find.

I want to ask you a specific question, though. Do you agree, very specifically—and I want to ask you and enjoin you that there were people here, Pan Kanagaretnam

from the Tamil Parents Association, and some others that I will mention. They were here last week when our session was cancelled. They want to know whether you agree with the ESL recommendation. They want to know why there is zero money. Some \$90 million in total is recommended, and zero is coming from you to help their children learn to speak English in a manner that would stop them from being left behind. They want to know if you agree with Dr Rozanski's recommendation.

Acting Chair: Minister, you could save that for the next round, please.

Mr Marchese?

Hon Mrs Witmer: Toronto.

Mr Marchese: Yes. These budget things, these numbers, aren't they painful?

Hon Mrs Witmer: Not at all. It's too bad that we spend so much time on money when we take into consideration that our students are at the top of the class when it comes to results internationally, nationally and provincially. We've made a lot of improvements. We have to thank our teachers and students for bringing us to where we are today. I think sometimes we focus too much on money and not on the excellent results and hard work of our teachers.

Mr Marchese: Yes, I get the same impression. You guys have been cutting billions out of the education system. I think you've been focusing too much on cutting money out of the system rather than focusing on what makes schools better. Quite right.

Hon Mrs Witmer: Our schools are doing better.

Mr Marchese: By taking more money out of the system.

Hon Mrs Witmer: The results are dramatically improved from seven and eight years ago, Mr Marchese.

Mr Marchese: You know what I think, Elizabeth? If you take out \$2 billion more, our students will produce even more and better results. That's what I think you should do. Because you've done so well by taking \$2 billion out, you could take another \$2 billion out and the results would probably be incredible.

No? It doesn't work that way?

Hon Mrs Witmer: I don't know. I didn't know anybody took \$2 billion out.

Mr Marchese: That's what Rozanski said you did.

Hon Mrs Witmer: I don't remember Dr Rozanski saying that anywhere.

Mr Marchese: He didn't actually say you guys—

Hon Mrs Witmer: No, he actually didn't say that. I think it's important that we keep that in mind. He did not ever say that.

Mr Marchese: Yes, but do you get the impression that when he says, "You've got to put back \$1.8 billion"—he doesn't say "put back"—but when he says you've got to restore \$1.8 billion, perhaps he's saying you pretty well took that out?

Hon Mrs Witmer: Do you know what you have to keep in mind?

Mr Marchese: Actually, I didn't want to ask those questions, because I asked them last week. I'm tired of them.

Hon Mrs Witmer: We were the ones who decided that we would do the review of the funding formula. We introduced it in 1998. We do believe it needs to be reviewed on a regular basis. The benchmarks need to be updated.

Mr Marchese: Yes. I think so too.

Hon Mrs Witmer: Folks, the results we got were the results that we were looking for: how could we make sure we have the provision of funding that was going to equitable and fair for all students?

Mr Marchese: Very good, yes. So you believe in a regular review of funding.

Hon Mrs Witmer: I do.

Mr Marchese: So it was introduced in 1998 and reviewed when, when Rozanski did that? What's the lapse between those: 1998 and 2002, 2003?

Hon Mrs Witmer: Yes.

Mr Marchese: That's four years.

Hon Mrs Witmer: That's why we're going to follow his recommendation that we work with the sector to develop a mechanism for annual reviews.

Mr Marchese: You like annual reviews?

Hon Mrs Witmer: I personally believe that's important.

Mr Marchese: We didn't like them then but we like them now.

Hon Mrs Witmer: And we're going to update the benchmarks in the funding formula.

Mr Marchese: Of course, because we were talking about the floor; it's not the ceiling.

Hon Mrs Witmer: And every five years we'll have a comprehensive review.

Mr Marchese: And a new ceiling?

Hon Mrs Witmer: Well, we've announced the floor.

Mr Marchese: I didn't want to get into financial stuff. It's just so boring, it really is, and painful.

Can I get back to Mr Hartmann just for a sec?

Hon Mrs Witmer: You should read the headlines in the paper this year about the additional teachers that have been hired.

Mr Marchese: I know. Things are great. Things are getting so much better.

I was just going to ask you, Mr Hartmann—because I want to get back to the other question. You said you only communicate with the supervisor on the basis of the requirement of the submission. What is that again, for the benefit of those who are watching?

Mr Hartmann: Our support to the supervisor is basically technical support in terms of knowledge required in order to administer the act, the requirements for submissions and those kinds of things.

Mr Marchese: That's it? Holy cow.

Mr Hartmann: Under the terms of the appointment, he was granted the full powers.

Mr Marchese: But 180,000 bucks and we just give him all that leash? It's a long leash, right? The guy can do what he wants. I'm sure you don't like that.

Mr Hartmann: Within the Education Act.

Mr Marchese: Yes, but the Education Act presumably says that he's supposed to give you a plan, and the only requirements are the technical requirements, whatever help he might need, a "Call us when you need us" kind of thing. I don't know for what. What would he be calling you for?

Mr Hartmann: The same kinds of things that a school board would call us for.

Mr Marchese: Which would be?

Mr Hartmann: Help with the interpretation of various sections of the act, assistance with getting exceptions to various cases that might be required—

Mr Marchese: Questions like, "Can I stick around for a couple of years, three or four years? Is that OK? Does the act say that that's okay?" That kind of thing?

Mr Hartmann: No, those wouldn't be the kinds of questions that he would pursue.

Mr Marchese: I'm worried, because the parents that I've been talking to are very worried that Mr Christie—it's not necessarily to you, Mr Hartmann—hasn't submitted a plan. They're worried about the implications of not having this plan a year later, and \$180,000 just for him. I'm concerned, and I believe you are concerned too. Isn't that true?

Hon Mrs Witmer: Let me respond this way. I think there has been significant progress made this year in moving towards a balanced budget but also in—

Mr Marchese: How do you know? He doesn't talk to you.

Hon Mrs Witmer: —investing in the classroom. This year, Mr Christie has been able to add new textbooks, hall monitors, classroom teachers. I think some very significant steps have been taken. He was also able to achieve settlements with the two teacher groups. I think that is very significant. I think we are moving forward within that board in a very satisfactory manner, and we will now await the results of the budget process that they are presently going through.

Mr Marchese: I'm sure taxpayers are very impatient about him not presenting a clear sense of where we're going at the end of this year. I think they are. I'm talking about the taxpayers. You are a very taxpayer-minded kind of person. So are the others. I'm concerned that you're not concerned as much as I am about this.

Hon Mrs Witmer: Well, the regulations in the act do provide some flexibility.

Mr Marchese: Is that what you say to the taxpayers, that the act provides flexibility and let's drop it?

Hon Mrs Witmer: No. I am very confident that in the not-too-distant future we're going to have that information for Mr Marchese.

Mr Marchese: Mr Hartmann gave me the sense that he doesn't have knowledge of what Mr Christie is paying for, what we commonly speak of as spin doctors, the ones that work for Enterprise Canada Group Inc?

1700

Hon Mrs Witmer: They actually worked for the school board before Mr Christie arrived on the job. You probably know that Enterprise Canada was actually hired by the Toronto board.

Mr Marchese: Right. Well, all I know is that they've donated big bucks to you folks.

Hon Mrs Witmer: I'm afraid that they were there before we ever got involved with putting a supervisor in place.

Mr Marchese: How do we get them to donate money to me? It's not fair. You're a fair-minded person. How come they just donate to the Tories? I don't know if they donate to the Liberals. I find that so not equitable; it's just not right.

Hon Mrs Witmer: That firm had been hired by the Toronto board prior to the supervisor arriving on the scene.

Mr Marchese: Right. But do you know how much Christie is giving these folks to help him out?

Hon Mrs Witmer: I have no idea. As I say, they were there before, and I guess I hear you saying they're still there now.

Mr Marchese: Right. See, I'm concerned. I think it's costing us taxpayers a whole lot of money; I really do. I think he's been there for a whole year, him and the gang. For the two of them, it's \$300,000—we're talking about McVicar—\$300,000 already just gone out of taxpayers' pockets, because their pockets are so deep, plus all these other spin doctors. I think already we've spent \$600,000 or \$700,000, you would estimate, more or less, give or take a couple of pennies?

Mr Hartmann: Give or take a couple of hundred thousand.

Mr Marchese: A couple of hundred thousand? So we are close to \$600,000 or \$700,000 maybe?

Mr Hartmann: I think less. They've been there for a year.

Mr Marchese: Wow, that's a lot of money, I think.

Mr Hartmann: It would be in the neighbourhood of \$300,000.

Mr Marchese: For the others, the spin doctors?

Mr Hartmann: Oh, for the spin doctors, I have no idea. I'm sorry, I misunderstood the question.

Mr Marchese: I don't know, but if I were the Deputy Minister and the assistant deputy, I would want to know. I really would. If I were the minister, I would want to know too, in case I had to answer some questions.

Hon Mrs Witmer: I think I said at the outset, Mr Marchese, the people you refer to were hired by the previous board when the trustees still had responsibility for the decision-making. So if Mr Christie has chosen to continue to hire that company, obviously that's a decision which that individual makes.

Mr Marchese: School boards have to plan for the following year in terms of having a sense of what they would have to do, whether there are going to be cuts, whether there are going to be cuts by way of attrition or through some other formula—who knows? They're

worried that they don't know. Do you think there is some kind of plan not to announce it now, while parents are still awake, fighting you because they believe you made cuts, and that if you do it in July when people are asleep or at cottages—who knows where they might go, because July is a difficult month—that that's the time Christie might make some announcements? That's the impression I get; I could be wrong. Do you think there's a plan like that?

Hon Mrs Witmer: I think there's a plan that will deliver the best quality education to the people and students in the city of Toronto. As I said to you, their funding has been enhanced by 5%, their enrolment has declined by 4.2%. They're going to be getting this year about \$2.1 billion, so there's more for salaries, classroom support, transportation, students at risk and school renewal. I suspect that we're going to see a budget that responds to the needs of the students.

Mr Marchese: But he's not reporting to you directly?

Hon Mrs Witmer: At the end of the day we will get the budget plan.

Mr Marchese: By that you mean that indirectly you will get whatever plan.

Hon Mrs Witmer: We will get the plan.

Mr Marchese: But he doesn't report to you directly at any other time.

Hon Mrs Witmer: No.

Mr Marchese: Do you remember me asking you about Rozanski's recommendation that says boards should have 5% of the foundation grant to give them the flexibility they need? And do you remember me saying to you that if you did that I think it's been estimated that the Toronto board would get 120 million bucks just with that grant alone?

Hon Mrs Witmer: You did make reference to that, Mr Marchese.

Mr Marchese: What was your answer again? Because I forgot.

Hon Mrs Witmer: I'd have to check the record.

Mr Marchese: What would you say today about that?

Hon Mrs Witmer: I would have to check the record. And I would just—

Mr Marchese: Forget the record. I don't mean to put you on the spot, really.

Hon Mrs Witmer: I think we need to keep in mind that, as I've said before, we have now made available money which is a funding floor in order that our education partners can do planning over the next three years. This was a very significant step that the government took this year to try to provide some stability and announce funding over the next three years. But of course we have not announced a funding ceiling, as you know.

Mr Marchese: That's a different—we touched on that last week.

Hon Mrs Witmer: That's really important to keep in mind. So people know at least how much they will be getting.

Mr Marchese: No, I understand that.

Hon Mrs Witmer: But not how much more.

Mr Marchese: Yes, we went over that chart, remember? There's no point repeating that. It's just so boring.

Hon Mrs Witmer: Was that from the document?

Mr Marchese: Yes. We're going to get the same answers. So what's the point of asking the same questions?

But I really do believe that if you kept that promise that Rozanski made and that you're committed to, the board would be spared. It would save some bucks by not paying Christie a hundred and eighty thousand bucks. The board would have the flexibility they've been looking for, and it would be over.

Hon Mrs Witmer: I think the other thing the board needs to continue to do—and I think they've been doing it this year—is to find efficiencies within the board and also to make sure that the services and programs are equally provided throughout the board.

Mr Marchese: Sure. But that's their job. Let them do it. That's what they were elected to do, right?

Hon Mrs Witmer: They did get the \$900 million in mitigation funding.

Mr Marchese: But if they were to get this \$120 million that Rozanski recommended, they'd have the flexibility to do their job as elected trustees.

Hon Mrs Witmer: Well, I think there were those who thought that with the \$900 million they would have that type of flexibility.

Mr Marchese: So you don't want to give them this \$120 million that Rozanski—

Hon Mrs Witmer: No, I'm just saying that I think people have to use taxpayer money wisely.

Mr Marchese: Oh, for sure. But they were elected, right, Elizabeth? And if they're elected, they have to do their job. We might disagree with them, just like so many people disagree with you. You would probably say, "We're elected. Let us do our job. At the end of the day, they'll elect us or not elect us on the basis of our competence or incompetence, whatever the case may be."

Hon Mrs Witmer: That's right. There's no job security.

Mr Marchese: Yes, exactly. But the trustees are saying, "That's what we're doing. We got elected to do our job."

Hon Mrs Witmer: You need to keep in mind, though, that the board has been split. Half of the board wanted to pass a balanced budget, the other half didn't, so we really had a unique situation in the city of Toronto, unlike any other situation.

Mr Marchese: No, no, I agree. But you know, it's so hard. You've been there as a trustee. So have I. It's not a homogeneous political party. We've got Tories. There's plenty of them. We've got Liberals, lots of them too. Then you've got a few New Democrats. That means there's no homogeneous body of trustees.

Hon Mrs Witmer: But you know, that's regrettable.

Mr Marchese: I agree. But that means—so what you're saying is, if we got rid of the Conservative Party,

or at least amalgamated all three of us together into one party, then it would work better. Is that what you're saying?

Hon Mrs Witmer: No. Do you know what? I regret very much that there is party politics—

Mr Marchese: —at the board level.

Hon Mrs Witmer: —in the school boards, because I'll tell you, it was not there when I served as a trustee. I think you need to be there to serve kids, regardless of your political affiliation. You shouldn't be playing party politics.

Mr Marchese: Right. So you're saying that as long as you hide your party affiliation, that's OK?

Hon Mrs Witmer: I think you need to be working there on behalf of the students that you serve. That needs to be your priority.

Mr Marchese: OK. But I'm telling you, even Ann Vanstone, who ran for you, when she went out of the Toronto board to make speeches, told me and others, "They think I'm a socialist."

Can you believe that? She went out making speeches, and they thought she was a socialist. She's a card-carrying Conservative. And it's not because socialists infected her. It's because, I don't know, the politics at the board might have just communicated to the world that we're all left-leaning people, even though she, for example, was a Tory. She wouldn't say, "I do this because I'm a Tory," or "It's all party affiliated," but "I do this because I love kids." We all did that.

Hon Mrs Witmer: I served with Ann. I was there at the same time she was, and that was how people did their job. They did their job because they loved kids, they wanted to do what was right for kids—

Mr Marchese: Yes, we all do.

Hon Mrs Witmer: —and they never brought party politics into it.

Mr Marchese: Yes, we did, Elizabeth, in my time and yours.

Hon Mrs Witmer: Maybe in Toronto—

Mr Marchese: It doesn't matter where. I don't think it matters where you are. I think a lot of people hide their politics. In Toronto David Moll, a nice Tory, one of yours, would say, "Party affiliation? We're not party affiliated." Of course, he's a Tory. He doesn't have to put his party card on the table for me to know he's a Tory, for God's sake. I can tell by the way he thinks. You would say, "That's not party politics," but it is. How you think affiliates you to a party.

1710

Anyway, I'm getting off base. It's not important. I'm just thinking that Rozanski is trying to help us out. He's reaching out to us and saying, "Here's a recommendation. Take it," and then we get rid of Christie. I don't want him to be there any more. I'm tired of him. He's costing me too much money. I don't like that. I'm wondering why you haven't taken that recommendation and said, "That's a reasonable recommendation. I'm going to implement that."

Hon Mrs Witmer: We have three years to implement the recommendations.

Mr Marchese: But you're out soon. You're going to be out in September, I hope, and then what? It would have been better to implement that recommendation before you call the election and might not be there. No? No comment.

Here's what a parent said about this thing, because these things worry me. "We think Christie is going to make some cuts. He's going to make these announcements in July. That's what I believe."

Hon Mrs Witmer: You know, you might be fooled because people also said that Christie was going to lock out the teachers, and guess what? He didn't do it.

Mr Marchese: That's because I think you and Ernie said, "Don't you dare." You guys called him up and said, "Don't you dare call this." That's what I think happened.

Hon Mrs Witmer: As I've just said to you, Mr Hartmann communicates with the supervisor when necessary. I've seen a lot of fearmongering; I've seen a lot of speculation. At the end of the day, a lot of these things have not happened.

Mr Marchese: Elizabeth, I just want to say before the Chair ends our nice discussion here that I want to share my time with the Tories the next time around, because I really believe in equity; I really do. I think it's so profoundly unfair that the other members are not getting their opportunity to ask questions, so I want to share my next round with them.

Hon Mrs Witmer: That's kind.

Mr Marchese: Do you think that's nice?

Hon Mrs Witmer: But you are a kind person. You and I could run the Toronto school board together, Rosario.

Mr Marchese: In my 10 minutes we'll talk about safe schools again.

Hon Mrs Witmer: OK.

The Acting Chair: We then will move to the government. Three minutes, Mr Arnott.

Mr Arnott: We appreciate the magnanimous kindness of the NDP critic. Thank you very much. I know there are a lot of questions on our side.

I want to continue with the minister the dialogue that I initiated in the previous round about assistance for at-risk kids. I know that the government has, through its new funding model, set aside enveloped funding for special education for the first time, which is something that I think we all agree in the Legislature is a positive development.

In fact, I'm told that at one point one of the Liberal members was quoted as saying in the House, "It's the first time that they"—meaning the government—"mandated special services, and I applaud the government for that." We don't often hear those kinds of non-partisan statements in the House. It was notable that this member—the member, I believe, from Hamilton Mountain—made that point.

We have what we call the intensive support amount, the ISA, in terms of our special education funding. I

know there is a working group and of course the process for funding the ISA. The working group was charged with the responsibility of trying to provide the government with assistance in proving how this money was spent so as to benefit students.

I want to engage the minister on the ISA working group and ask her questions about that. When was it formed? What was its mandate? Can you inform the committee what the findings were of the ISA working group and how the government is responding to it?

Hon Mrs Witmer: I'm going to ask Mr Gooch to come forward since he has been quite involved.

Mr Gooch: In answer to your questions, the ISA working group was formed in the fall of 2000. In January 2001 it delivered a series of recommendations to the government.

The then-minister of the day, Mrs Ecker, gave the group a mandate to do three things. She asked the group to come forward with recommendations that would make special education funding more stable and predictable. She asked it to come up with an approach that would significantly reduce the administrative burden on school boards for making funding applications for special education. The final thing she requested was that it continue to ensure that the approach it recommended would make funding responsive to different levels of need that school boards had demonstrated.

The working group came up with a comprehensive series of recommendations. The core idea of the group was that the ministry needed to do a number of things. It needed to clarify eligibility criteria for what's called the intensive support amount. It needed to give school boards a significant amount of time to compile the information that's needed in order to demonstrate the level of need. The ministry needed to provide a supportive environment for that, where it was not treating boards punitively but helping them understand what the eligibility criteria were and doing the work they needed to do in order to do that.

The core idea was that we would take almost a school year and a half, an 18-month period, to give boards a number of opportunities to bring forward eligible files and the documentation, and that's what we set out to do.

The Acting Chair: Thank you, Mr Gooch. Now we move on to the Liberal caucus.

Mr Kennedy: I just wanted to introduce for the record that I believe last Tuesday we had with us the head of the Tamil Parents Association, Alimamy Bangura from the Muslim Education Network, Yuen Chen from the North York Mandarin Speaking Parents' Association and Mahendra Gupta from the South Asian Education Liaison Committee. All of them were unanimous in saying you're hurting the education of their children by choosing to not act, by choosing to leave their children behind by not providing adequate funding.

Minister, the question I asked was, do you agree with Dr Rozanski's report? He says you should be funding at least five years' worth of support for children under language. He also recommends that you get a better handle on what it takes. He quotes, and many other peo-

ple quote, your own ministry planning program assessment document for grades 9 and 10 that says, "It may take up to seven years for an ESL or an ELD student to require a level of proficiency in reading, writing and abstract thinking that is on a par with speakers as a first language." Right now, you're only funding three.

All of these parents came down here because they believe you're shortchanging their kids. You talked about results. In the EQAO scores, results for English-as-a-second-language students haven't budged at all, like most of your results. The only thing that's budged is math in the first year and, after that, we've got numbers like: 76% in grade 3 not reaching the provincial standard in reading; 70% not reaching the provincial standard in writing; 60% not getting there in math; grade 6: 78% not meeting the provincial standard in reading; 78% not meeting the provincial standard in writing; 65% in math.

Minister, also here last week was the chair of the Peel board, who indicates they're missing 132 English-as-a-second-language teachers.

Again, in your response to Dr Rozanski there have been no dollars—not 10 cents put toward his recommendation on English as a second language. These parents, and many other boards out there besides Peel, would like to know: do you support Dr Rozanski's recommendation about English-as-a-second-language services being improved so those kids can have a fair chance to learn?

Hon Mrs Witmer: I personally have always supported ESL funding. As an immigrant to this country myself and having had to learn English, I think it's really important that students have either strong English or French-language skills.

I know that our government shares in that particular commitment. That's one of the reasons we have increased funding to English as a second language every year since the introduction of the formula in 1998-99. In fact, I'm pleased to say that this year, 2003-04, it will be rising to over \$190 million. That's an increase of almost \$79 million or 71% since 1998-99.

I would go back to what I have said to the member before. We have endorsed the recommendations of Dr Rozanski. I would remind him that Dr Rozanski has asked that they be implemented over the course of the next three years, and that's exactly what we plan to do. I've just pointed out to you that we are increasing support each and every year.

Mr Kennedy: Minister, you haven't supplied 10 cents of the \$90 million. You did not change the policy. Your words are not going to help the Tamil kids, the Mandarin kids or the others who are falling behind. They're all wondering what kind of—in fact, this is what they said to me last time when we were de-convened by the conflict in the House. They said it's wrong for Canadians to invite people here on the false premise that they're going to be able to participate. That's how strongly they feel about it. Mr Rozanski evaluated your program and said it was wanting, \$90 million worth of wanting. You're saying to us that it's okay for these kids to be left behind

this year and presumably next year because somehow you're going to find \$900 million a year, when you could barely get \$500 million this year, and you're going to implement this report.

1720

Minister, I want to ask you very plainly and very clearly: how can you justify making these kids wait? They're not getting better results. Why are you saying to them that they should have to wait and not get the benefit of what Dr Rozanski says they badly need? He said to get started on all of these things. You have not gotten started on the ESL recommendation. These parents have a right to know what's wrong. Why are their kids not counting as much as other kids? Why are they still being cut back? That's what they're reporting. That's what Peel is reporting; that's the report we're getting out of Toronto, that there are fewer and fewer—I'll just give you a quick quote. The ESL coordinator in Toronto is saying that a school has cut back from two full-time ESL teachers to just one for next year. That means they're going to cut out ESL A, which means that the kids who go to that particular school who don't speak English will not get any courses whatsoever. They will have to find another school.

A school in my riding that I visited not long ago, Western Technical, is the only one in the western half of Toronto that takes kids mid-year, and it's losing funding as well.

Again, can you address the question directly for these parents? Why are their kids losing out? Why are they being left behind? Why are you not providing any of the money Dr Rozanski said these kids deserve?

Hon Mrs Witmer: I'd just like to share with you that in 1998 this program was receiving \$111.3 million—

Mr Kennedy: Mr Chair, through you—

The Acting Chair (Mr Steve Peters): Let her finish her answer.

Hon Mrs Witmer: —and today it's receiving \$190.1 million. There has been an increase. We are going to be following through with Dr Rozanski's recommendations. I would remind the member that he said it's a three-year implementation. We've endorsed the recommendations and we will be following through—

Mr Kennedy: Well, Minister, I'm happy to let your words speak for you, because you're really failing those parents.

The Acting Chair: Let her finish her answer, please, Mr Kennedy.

Hon Mrs Witmer: I also hope that the federal government in the future will see fit to provide some additional funding. I think it's extremely important, when Ontario receives so many immigrants, that we continue to see the federal level of support increase as well.

Mr Kennedy: Well, that is pathetic that that would be a reason. The only reason you gave us is that it's the federal government's job. These kids get to wait and get behind so you can use the typical Tory provincial excuse that it's somebody else's work. It's your responsibility to advocate for these kids and all the other kids on Dr

Rozanski's consideration list, and you failed them. They're not getting anything. There's no money for any of the kids who are struggling without adequate assistance. You have no justification for that. You did a very bad job in 1998. You're doing a very poor job now of supporting the teachers. They are scrambling like crazy, after hours, in all manner of ways. This is the least excusable thing that you're doing, Minister, in terms of instruction. All these children need to do is learn English and they will advance in school. You want to cite test results. Your test results are not moving. They are stuck there. You've left them behind. You've cut them out of your calculations. We'll make sure that people realize that these are the kinds of calculations that you and your government are prepared to make.

Well, because you're not answering that question, I want to move you on to something else that might be more attractive for you.

Hon Mrs Witmer: Mr Speaker—

The Acting Chair: Madam Minister, he didn't ask a question; he was making a statement.

Mr Kennedy: I want to ask you about school closings. I want to ask you specifically about your track record. I have here some legislative research material which shows that you're the only government to net close schools in the last number of years. In fact, you guys in your government have closed approximately a net 170 schools under your watch compared to a net gain of 140 under the two previous governments. You're closing schools at a record rate. There are numerous school closings out there. I'm wondering if you could tell them why you didn't address what Dr Rozanski said about small schools, specifically about adjusting the drivers that make schools close for factors other than the viability of the schools themselves.

Hon Mrs Witmer: We'll certainly take that under advisement and—

Mr Kennedy: Yes, that's good that you will.

Hon Mrs Witmer: —provide the answer in due course.

Mr Kennedy: I'm sure you will. Let me ask you about rural funding. You have a committee out there that some of us have met with. You've said that Dr Rozanski's recommendation on single-school communities isn't good enough, you're not implementing that. You haven't given any of the money to the school boards. Instead, you have commissioned Dr Downey to do a report by the end of this month. You've only given him the money that Dr Rozanski said should fund single schools, and you've said to him, "Come up with an answer for that."

I want to ask you a clear question. If Dr Downey indicates there is a need to improve on the \$50 million in order to increase the viability of rural education, where you have had this devastating impact in terms of school closings—your policies have contributed to that, your support for private schools and the huge increases in enrolment there have contributed to that. But you seem to have found religion; you finally want to have a rural school policy. I want to know, if Dr Downey comes back

and says he needs more than \$50 million, will you provide it?

Hon Mrs Witmer: I'm not going to speculate on what Dr Downey may or may not say. He's certainly a very capable person. He co-chaired the New Brunswick Commission on Excellence in Education, and I can tell you that we eagerly await the recommendations he's going to bring our way in order that we can provide the best quality education to students in rural and northern Ontario.

Mr Kennedy: Is he allowed to make a recommendation that goes above the \$50 million?

Hon Mrs Witmer: I'm not going to speculate on what he—

Mr Kennedy: You've given him a mandate, though. Does your mandate permit him to do that or not?

Hon Mrs Witmer: I know he'll do an excellent job no matter what he does.

Mr Kennedy: Just for the record, Mr Chair, Dr Downey said that he has been told that's all the money there is, so I wanted to check with the minister. I was hoping I could be more hopeful for him. He says it's a very big problem, because he doesn't have the resources, in fact, to be able to address the rural question. There are many issues to the rural problem out there; it's not just the single-school-communities guarantee. On the one hand, Dr Rozanski says it will cost \$50 million just to keep single schools open.

You're holding out the prospect to a lot of rural folk out there who have quality problems, curriculum issues, distance learning problems in terms of senior curriculum and so on that this will all get fixed by Dr Downey, and he has pretty much told us that it will be unfair. I'm sorry you couldn't see fit to give him some more flexibility here today.

Earlier we heard you talk about the Toronto board and hide behind some of the things you were saying about it being confused. You've got supervisors in Hamilton and Ottawa. They've all failed their assignments to balance the budgets. They're all going about usurping the business of elected boards. Under what timetable are you going to take the supervisor out of Ottawa, first; and then, second, when will you remove the supervisor out of Hamilton? Can you tell us that today?

Hon Mrs Witmer: I'd just like to go back to the last issue we talked about. I think it's important that we be accurate in here. I have to question some of the allegations that are being made, I will tell you.

Mr Kennedy: You're welcome to answer the question, Minister.

Hon Mrs Witmer: If we take a look at the rural strategy, we've been accused in here by the opposition member presently speaking of not providing funding for this and providing funding for that. In the case of the rural strategy, the recommendation by Dr Rozanski was \$50 million. I'm very pleased to say that that money is all going to be provided in one year as opposed to over three years. Those were some of the decisions the government has made. So I go back to the fact that we endorsed his

recommendations, and here is a case where we're doing it all in one year.

Mr Kennedy: He did not ask for a study. He did not ask for a task force, and you have submitted a task force. Not one cent of your money has gone to school boards. They have said in Avon-Maitland that they are going to go ahead and make cuts because they don't believe the money is coming. That's exactly what the board members out there said. So you say you're doing something, but in fact no money has flowed and Dr Rozanski did not ask for a task force. He said you should at least do the single-school communities portion of the needs of rural communities, do it now and here's how much it costs. You haven't done that yet, and as a result there are schools being shut down because, frankly, there isn't much credibility left for you.

I know you've avoided the question. I'd like to bring you back to it. Will you tell us—

Hon Mrs Witmer: Did you have another putdown?

Mr Kennedy: —very specifically when you will be removing the Ottawa supervisor? Is that something you'd like to share with this committee here today?

Hon Mrs Witmer: I have no comment.

Mr Kennedy: No comment at all? So as the Minister of Education your message back to the Ottawa parents, who have an unelected person making decisions about their children, is that you have nothing to say to them about when they might have the supervisor removed and an elected board brought back? Is that correct?

1730

Hon Mrs Witmer: I'm sure that after we get the audited statements, decisions will be made.

Mr Kennedy: Minister, does that imply, or would you like it to imply, that if the books are balanced or the audited statements are in order, then you'll restore trustees?

Hon Mrs Witmer: I don't think it really much matters what we say. You tend to draw your own conclusions. You make the same types of allegations. Decisions will be made once audited statements are submitted.

Mr Kennedy: Minister, I'll ask you the question again. Even though you prefer not to answer, people need to have these questions asked.

In Hamilton, when will you be removing the supervisor and when will you be restoring an elected board in charge of the affairs of the Hamilton board?

Hon Mrs Witmer: Do you know what? Mr Hartmann has been involved with all three supervisors. He can certainly share with you what the legislation states about these particular situations since he's extremely knowledgeable.

Mr Kennedy: He is extremely knowledgeable. But, Minister, I was interested in your official word to these communities, whether you have a message for them about when—you took away their boards—they might come back.

Hon Mrs Witmer: I have already said to you that we are awaiting the audited statements.

Mr Kennedy: Can you tell those communities what that means for them? If the audited statements are in order, does that mean the trustees will be restored to their powers?

Hon Mrs Witmer: I'll ask Mr Hartmann to speak to what it says in the legislation.

Mr Kennedy: Mr Hartmann, is there something specific in the legislation to the question I'm just asking?

Mr Hartmann: There is indeed. The legislation requires that the supervisors be removed if the audited financial statements for the year show a balance.

Mr Kennedy: If they show a balance. So if it's not in balance, then the supervisors can continue? Is that right?

Mr Hartmann: That's correct.

Mr Kennedy: In other words, if the supervisors want to continue to be paid, and I've forgotten what my colleague Mr Marchese established—\$180,000, \$300,000—then all they've got to do is not balance the budget and then they stay and work. That's a nice situation. That's amazing, actually.

Mr Hartmann, since you're up, I want to ask you a question from last year. You told us last year that the powers of the supervisor were such that the minister has not exercised any supervisory powers at all over the actions of the supervisor, that in fact the supervisor informs you after the fact, when they've acted. That's paraphrasing what was said last year. The minister can actually exercise powers if she chooses to. The question I have for you is, has the minister at all over the past year chosen to exercise those powers? Specifically, has she given direction to the supervisors through you at any time? Has she enacted any powers to make decisions about the three boards that are under supervisors?

Mr Hartmann: I've received no instructions from the minister regarding the supervision of those boards.

Mr Kennedy: OK, so those conditions remain the same.

How much time, please, Mr Chair?

The Acting Chair: You have about four minutes and ten seconds.

Mr Kennedy: Minister, I want to ask you again about some of the omissions, the huge, conspicuous omissions in your response to Dr Rozanski. One of the things he focused on was a demographic function: what the grant could do for poor kids, that there's a very high correlation to some of the backgrounds kids have and their readiness to learn and that that would be a valid way to direct dollars. He asked you to do two things, in fact. One was to conduct a study, but the other one was to immediately put \$50 million toward that. He felt so strongly that that was a deficiency in the formula. You've declined to do that.

Is there anything you can tell parents and children in the province who fit that category—and there are a number of indexes that are supposed to be considered there—as to why there's no money whatsoever for the educational barriers that low-income families and others from difficult backgrounds face?

Hon Mrs Witmer: Mr Hartmann will respond to that.

Mr Kennedy: I'd prefer your opinion, Minister, so thank you, Mr Hartmann.

I want to ask you then, Minister: in the report there is \$5.6 billion identified of crumbling schools, schools that are falling down under your watch. The investigator asked you for \$200 million. No money under the deferred maintenance recommendation has been forthcoming from you. I'm wondering if you could tell us why you're abandoning schools like those in Brantford and elsewhere that desperately need dollars to fix their schools. I'm wondering if you can tell us why it is that the specific recommendation, deferred maintenance, which he said is long overdue—we have to get started on this \$5.6 billion right now—that you've got no money for that.

Hon Mrs Witmer: I'm not sure if you really want to hear the answer or not but I'm certainly prepared to attempt to respond.

Mr Kennedy: Give it your best, Minister.

Hon Mrs Witmer: You can interrupt when you feel it appropriate.

There has been money set aside. As you know, on March 18, 2003, the Premier announced a \$75-million enhancement for school—

Mr Kennedy: Minister, I am going to interrupt you. I'll take you up on your offer. The specific question I had was not about school renewal announcements. It was about a deferred maintenance recommendation, a very specific recommendation. You ought to be familiar with it. I've asked you to address that. Dr Rozanski, in his recommendations, said that there's \$5.6 billion worth of schools falling down. If you choose not to do that, that's fine. Just say, "No, I don't have the answer." But please don't disrespect the people out there who have schools and are hopeful about this with a non-answer about the school renewal money. Is the deferred maintenance money going to be forthcoming or not?

Acting Chair: You have about 30 seconds.

Hon Mrs Witmer: We actually have been focusing on funding the replacement of schools that are deemed prohibitive to repair. We've set aside \$12.4 million to allocate to 34 schools initially, and as you know, we're going through a process where there is an inspection taking place to identify the schools that are most in need of additional funding.

Mr Kennedy: Minister, again, you didn't answer that question.

Instead, Mr Chair, what I'd like to do is table—

Hon Mrs Witmer: There will be \$110 million more in new construction to be provided.

Acting Chair: Perhaps the minister can answer the question next time. The time is up.

Mr Kennedy: Mr Chair, just for the benefit of the committee I'd like to table a January 31, 1985, resolution asked for by the members opposite: the chair of the Waterloo board supporting not to fund the private schools.

Acting Chair: Mr Marchese, you're going to take 10 minutes, I believe?

Mr Marchese: Yes, Minister, it's about Mr Christie. I'm worried and parents are worried that he's going to cut educational assistants, we fear, from 750 to 350. I know it might sound as if we're speculating, but these are the fears: we're afraid that lunchroom supervisors will be eliminated; we're worried that 300 daytime caretakers might be replaced by evening contract workers when there are no students in the classroom to worry about; will Toronto schools lose 50 secretaries—we're afraid they might, things like that. Does that concern you at all? Do these potential cuts, and I know they're speculative, concern you?

Hon Mrs Witmer: That's what's really important: they are pure speculation.

Mr Marchese: But if they were to happen, would that worry you?

Hon Mrs Witmer: You know what? I think it's really important that as they move forward, they attempt to do everything they can to provide equity of programs and servicing to the students throughout the board.

Mr Marchese: Right. If they got that \$120 million by getting the 5% from that foundation grant, I'm sure they'd bring about greater equity.

Hon Mrs Witmer: Well, they've had the \$900 million.

Mr Marchese: I see. But Rozanski said that this will really give greater equity if you give it to them.

Hon Mrs Witmer: As I said to you before, they're receiving additional money this year. They're going to be receiving about \$2.1 billion.

Mr Marchese: So why don't we just scrap Rozanski? Who needs him? You've already given them all the money they need.

Hon Mrs Witmer: Let's not speculate on what the supervisor may or may not do.

Mr Marchese: But, Elizabeth, if you're giving them all this money, why do we need Rozanski? Just get rid of that report. They got money.

Hon Mrs Witmer: They're going to get more.

Mr Marchese: So why don't we give it to them now? Equity would then be achieved.

Hon Mrs Witmer: Rozanski recommended that it happen over the course of three years, and that's what we're going to do.

Mr Marchese: Right. Here's what a parent, Sarah D., said to me when she called to congratulate me for the remarks I made in the House—sometimes they watch:

"The recent spate of attempted child abductions have made me increasingly aware of these cuts in staffing at my children's school. With a reduced number of assistants, custodial staff and lunchroom and schoolyard supervisors, I am no longer confident that there are enough adults at the school to keep the children safe from this very real threat.

"My fear is real. Incidents have occurred near our school and have been reported to the police, but I do not want a police presence at our schools"—not that you could have police in every school anyway. "I want to see staff who are part of our school and a greater community

who therefore know who belongs in our school and who may pose a threat. We had such a community, but it has been relentlessly eroded in the past several years." That would be you.

"Please continue to urge the government to return funding to our schools. And no, Mr Eves, you haven't done so, not in Toronto at any rate. Our children deserve a safe environment in which to learn and to thrive and we parents deserve the peace of mind of knowing that our schools are providing our children with what they need."

Your response?

1740

Hon Mrs Witmer: Do you know what? I think we've talked about this. Certainly there is the need to keep students safe. As I pointed out, we introduced the Safe Schools Act in 2000 in order to make sure the appropriate steps were taken. We continue to work with the schools and the police. As you know, our government has drawn up a provincial model for local police-school board protocol.

Mr Marchese: You told me that.

Hon Mrs Witmer: I think people are really looking at taking the steps needed to protect the safety of children.

Mr Marchese: There are fewer vice-principals, fewer educational assistants, fewer caretakers; the lunchroom supervisors, school clericals and kindergarten education assistants are on the chopping block, and you don't seem to think schools are less safe with less staff watching over the children. I get the impression you're saying that schools are safe because you have a Safe Schools Act. But let me ask you, Minister: do you leave underaged kids alone at home with a set of instructions and no babysitter?

Hon Mrs Witmer: I'm not sure where you're going, Mr Marchese.

Mr Marchese: You say your schools are safe because you have a Safe Schools Act.

Hon Mrs Witmer: I'm saying that people are working co-operatively with the police, with the community and obviously with the education sector to make our schools as safe as they possibly can be.

Mr Marchese: The child who was almost accosted possibly or abducted possibly, but certainly approached by an intruder at Hawthorne, was walking down the hall when this individual approached him. The mother of this child wrote a letter to other parents at her school, and this is what she said: "I have always argued that this fight about provincial gutting of our public education system would go on until a child was hurt directly by these cuts. It was very nearly my child, but it could have been anyone's child. There needs to be more secretaries, more teachers, more caretakers, more staff in our schools."

Would you tell her the same answer you gave me before?

Hon Mrs Witmer: I'm not sure what more we can say. I think the government has taken steps. I think the school boards in the province of Ontario, particularly in Toronto, are taking steps to protect our children. The police are working in co-operation with school boards to

protect children. I think there is a recognition that you need to continue to be vigilant and do everything that you can.

Mr Marchese: Both of these parents are very worried about Christie, this highly paid individual, and his gang of spin doctors who are costing a lot of money. They're worried that Christie is going to get rid of educational assistants, lunchroom supervisors, daytime caretakers, secretaries, possibly more vice-principals and other dreaded things. These parents are saying that these people are the eyes and ears of safety in our schools. They're afraid we might lose many more, and more children could be put at risk. I'm saying that's true. I agree with them. I believe we need to stop that. I believe Rozanski gives us the way out of this, and I really do believe you should implement that policy before Christie does worse things to our school system. That will be my last point to you.

Hon Mrs Witmer: I just want to say thank you very much, Mr Marchese, certainly for the concern you've demonstrated for the safety of our students and for bringing those concerns forward. I would agree that some of the individuals you've mentioned do act as gatekeepers to the school, and I can tell you I will certainly keep your advice and comments in mind.

The Acting Speaker: Thank you, Minister, and Mr Marchese. Mr Arnott, you have 13 minutes.

Mr Arnott: I would say again to the NDP critic, thank you for giving us a bit of additional time on this side. I want to ask the minister a question about what the ministry calls "pupil accommodation." I know in some cases the parents don't use the terminology that the ministry uses. I would actually call that something like "student learning environment" or "the state of our schools" or "the physical state and upkeep of our schools." I think most parents—all parents, quite frankly—would expect and anticipate that provisions would be made to keep our schools in a very good state of repair so that students will have a good learning environment, a safe learning environment, a comfortable learning environment and of course one that is conducive to giving them the opportunity to achieve their maximum academic achievement and success.

I think back to when I was first running in an election campaign in 1990. We're of course getting close to another election perhaps. In my riding of Wellington at that time, a considerable number of schools had a lot of portables. I know it was a concern of parents. It was brought to my attention repeatedly when I was knocking on doors. I know that for students who learn in portables in some ways it's a learning environment that will give them an opportunity to have the kind of environment they need, but certainly most parents would think that's not the most ideal classroom environment.

I know that on March 18 the Premier announced an increase of \$75 million to school renewal funding, including an additional increase of \$25 million to supplement the grant for school renewal. I'm aware that Jim MacKenzie, who is a superintendent at the St Clair

Catholic District School Board, made a statement that in his view we must continue to work on schools on a priority basis, meaning that it's important to keep schools in a very good state of repair.

Minister, I would say I agree with Mr MacKenzie and would like to know what the ministry has done and what the ministry will do in the future to continue to make sure that each and every student has a place in an Ontario school and, secondly, that pupil places and spaces made available will be in schools that are in first-rate condition.

Hon Mrs Witmer: We know that school boards are in the best position to plan accommodation for their students. We have moved forward in a way that boards are assured of funds to accommodate all of their students. I'm pleased to say that since 1998 school boards have built about 226 new schools and undertaken to make additions to about 291.

One of the most noticeable improvements is the elimination of some of the portables from the playgrounds of Ontario. This has certainly been a concern to parents for many, many years. We've actually been able to reduce the number of portables attached to schools by about 17%. In fact, that adds up to 2,166 portables being removed from the system. That of course will contribute to the fact that we've built 226 new schools and undertaken 291 renovations or additions.

Our funding approach now gives boards flexibility. They can decide whether they're going to build new schools in high-growth areas, whether they're going to do a renovation, whether they going to do an addition or whether they're going to eliminate portables. Boards no longer need to apply. That's what we used to have to do, or we would have to wait to see if we were going to get capital grants. They now have that opportunity to plan ahead. They can predict revenue funding for several years, and they can begin construction of new schools when they need to. They don't have to wait for the province to make that available.

If we take a look at 2003-04, the pupil accommodation grant will be approximately \$2.4 billion. That's going to include \$1.435 billion for school operations, \$288 million for school renewal and \$378 million for new pupil places. That's going to support the construction of over \$3.7 billion in projects that the 72 boards in Ontario can decide locally are a priority for them.

Mr Hartmann has been involved in this whole issue. He can certainly give us more information and detail. I think this has been an enormous success for students in this province.

Mr Arnott: While he's coming up, I would certainly concur with that, Minister. Again going back to when I was first elected, or maybe even in the days of the Liberal government, I recall quite distinctly school boards literally going hat in hand to the provincial government with their lists of requests for new schools, in many cases trying to justify the need for new schools on two lists: a growth list where communities were growing, and a non-growth list, where communities were smaller, perhaps, and the residential growth wasn't there. There would be

some years when the ministry would have money set aside to respond to school boards' needs, but I can recall that it was always a difficult time for school boards, trying to justify these needs, and in some cases the Liberal government of the day made it very difficult for them.

1750

Mr Hartmann: In addition to what the minister has already indicated to the committee around the level of investment and the number of projects that have been produced with the ministry's revised approach to pupil accommodation, I might add five other things.

You'll recall that the minister has indicated that the revised structure of the grant gave long-term stability to the school boards in terms of the predictability of the amount of funds that would be available to build new pupil accommodation, either in the form of new schools or additions, and guaranteed that that money would be in place over the long term so that school boards could undertake the building programs currently to improve the system in the way that the minister has indicated.

In addition to what the minister has already indicated, there have been a number of other improvements made to the school accommodation grants that we believe have been beneficial to schools in the province. First of all, we changed the nature by which the amount of money is generated for this grant for schools that are close to one another in overcapacity. There is a new feature in the grant that takes into account enrolment pressures at nearby schools and compensates schools with additional money for new pupil places in those areas where it cannot be reasonably served within a reasonable radius.

In addition, there has been a program which was previously alluded to put in place called the prohibitive to repair program, which this year began by putting in \$25 million to replace the schools which school boards judged to be the most obsolete in the province. That process is still ongoing.

In addition to that, there was a renewal and deferred maintenance program that was instituted and committed to to the tune of \$50 million over the last two years, which is intended for school boards to address some of the most pressing renewal and deferred maintenance needs.

In other to move forward the recommendations that are in the Rozanski report around the \$200 million for deferred maintenance, the ministry has undertaken a systematic evaluation by independent professionals of all schools in the province, so that by December of this year we will know the condition on a uniform basis of every school in the system and can make allocation decisions as well.

Also, provisions have been made within the grant for the flowing of money to school boards for that debt which had not been permanently financed at the time of amalgamation, so certainly that's now in place for that debt as well through a new provincial financing scheme that has been developed over the last year.

Lastly, I might add that in order to assess how well the monies that are being used for the purposes of school renewal, school maintenance and school operations are being used, the ministry undertakes an annual facilities evaluation survey, which is requested to be completed by representatives of teachers, principals, school councils and parents in the schools. That facilities evaluation mechanism is available publicly on our Web site and gives us an indication as to what the parents and other constituent groups in the province believe the conditions of our schools are like. The good-to-excellent ratings of schools in that survey have gone up consistently over the three years that we have administered that survey. So we have accountability mechanisms in place that also help us to assess how well the money we are assigning is being spent.

Mr Arnott: We have three minutes, you say, Mr Chair.

The Acting Chair: You have three minutes and four seconds.

Mr Arnott: I have a very quick question about transportation. As you know, Minister, my two eldest sons ride the bus to school in Fergus to John Black Public School, and I know that there has been new money allocated for busing recently as a result of Dr Rozanski's review. I was wondering if you could tell us a little bit about how that money is going to be allocated, that \$20 million for transportation, as we call it—school busing?

Hon Mrs Witmer: It is permanent funding that boards are going to receive every year. There will be \$4 million for training all students, whether they're elementary or secondary, about how they can safely ride the bus. There's \$3.5 million to help provide transportation, \$6.4 million to help school boards form partnerships so that they can provide efficient delivery of services and \$6.1 million to assist with cost pressures faced by school boards and school board operators.

Mr Arnott: Thank you. I have one last question.

Mr Kennedy tabled a resolution that he had talked about earlier on funding for private schools that took place in January of 1985. I know, Minister, that you were the chairman of the Waterloo county school board at that time.

I was interested to see that it came from the OSSTF Waterloo office. It's rather interesting to observe that the OSSTF is working with the Liberal critic.

I wondered if you had any additional comments to provide in response to the statements that Mr Kennedy has been making about this.

Hon Mrs Witmer: Yes. I see that OSSTF Waterloo has provided the information to the Liberal Party. Just to set the record straight, I think we have another instance here of allegations being made that are not correct. Mr Kennedy indicated that I sponsored the resolution. I'd like the record to show that the recommendation was moved by Mr J.S. Darling and seconded by Mr G.R. MacDonald. I was chair of the board, so I did not sponsor the resolution. So that is inaccurate information.

Mr Arnott: That's an interesting way to conclude estimates on education. Thank you very much, Minister.

The Acting Chair: Thank you, Mr Arnott.

Interjections.

The Acting Chair: Excuse me, Mr Peters and Mr Kennedy.

Mr Arnott, thank you very much. Minister, thank you for appearing today, and to your staff for their time.

Now, we have a series of votes.

Mr Chudleigh: Can we have a few minutes of recess?

The Acting Chair: What do you consider a few minutes?

Mr Chudleigh: Until Mr O'Toole gets here.

Mr Marchese: No, no. Let's finish this off now.

The Acting Chair: You can call up to 20 minutes.

Mr Marchese: Oh, please don't do that.

The Acting Chair: I'd rather have something more definite than just "until Mr O'Toole gets here."

Well, this committee stands in recess until Mr O'Toole appears or 6 of the clock.

The committee recessed from 1757 to 1758.

The Acting Chair: Thank you. We're ready to proceed. We have a series of questions and votes.

Mr Peters: Mr Chair, I formally request a recorded vote, please.

The Acting Chair: A recorded vote will be taken.

Shall vote 1001 carry?

Ayes

Arnott, Chudleigh, Mazzilli, O'Toole.

Nays

Kennedy, Marchese, Peters.

The Acting Chair: Mr Kennedy?

Mr Kennedy: I wonder if you could tell us what each vote number relates to; in other words, what the vote is for.

The Acting Chair: The clerk will have to do that.

Mr Kennedy: It's on each page.

The Acting Chair: OK.

Mr Kennedy: Thank you.

The Acting Chair: Next, shall vote 1002 carry? The clerk will tell you what vote 1002 is.

Clerk of the Committee: Vote 1002 is on the elementary and secondary education program.

Ayes

Arnott, Chudleigh, Mazzilli, O'Toole.

Nays

Kennedy, Marchese, Peters.

The Acting Chair: OK. That's carried.

The Acting Chair: Shall the estimates of the Ministry of Education carry?

Ayes

Arnott, Chudleigh, Mazzilli, O'Toole.

Nays

Kennedy, Marchese, Peters.

The Acting Chair: Carried.

Shall I report the estimates of the Ministry of Education to the House?

Ayes

Arnott, Chudleigh, Mazzilli, O'Toole.

Nays

Kennedy, Marchese, Peters.

The Acting Chair: Thank you. I believe that concludes the business of estimates today. Thank you for your co-operation. The committee stands adjourned.

The committee adjourned at 1800.

CONTENTS

Tuesday 24 June 2003

Ministry of Education.....	E-121
Hon Elizabeth Witmer, Minister of Education	
Ms Sue Herbert, deputy minister	
Mr Norbert Hartmann, assistant deputy minister, business and finance	
Mr Peter Gooch, director, education finance	
Ms Donna Marafioti, chief administrative officer	

STANDING COMMITTEE ON ESTIMATES

Chair / Président

Mr Gerard Kennedy (Parkdale-High Park L)

Vice-Chair / Vice-Président

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gilles Bisson (Timmins-James Bay / Timmins-Baie James ND)

Mr Ted Chudleigh (Halton PC)

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gerard Kennedy (Parkdale-High Park L)

Mr Frank Mazzilli (London-Fanshawe PC)

Mr Norm Miller (Parry Sound-Muskoka PC)

Mr John O'Toole (Durham PC)

Mr Steve Peters (Elgin-Middlesex-London L)

Substitutions / Membres remplaçants

Mr Ted Arnott (Waterloo-Wellington PC)

Mr Bruce Crozier (Essex L)

Mr Rosario Marchese (Trinity-Spadina ND)

Clerk / Greffier

Mr Trevor Day

Staff / Personnel

Ms Anne Marzalik, research officer,
Research and Information Services



E-10

E-10

ISSN 1181-6465

Legislative Assembly of Ontario

Fourth Session, 37th Parliament

Assemblée législative de l'Ontario

Quatrième session, 37^e législature

Official Report of Debates (Hansard)

Wednesday 25 June 2003

Journal des débats (Hansard)

Mercredi 25 juin 2003

**Standing committee on
estimates**

Ministry of Energy

**Comité permanent des
budgets des dépenses**

Ministère de l'Énergie

Chair: Gerard Kennedy
Clerk: Trevor Day

Président : Gerard Kennedy
Greffier : Trevor Day



Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Copies of Hansard

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Exemplaires du Journal

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 25 June 2003

Mercredi 25 juin 2003

*The committee met at 1610 in room 151. **

MINISTRY OF ENERGY

The Chair (Mr Gerard Kennedy): We now have full representation and I will call this meeting of the estimates committee to order. We are reviewing, and welcome, the Minister of Energy and Ministry of Energy for a total of 15 hours; we start today. As everyone here I think is aware, but it just bears reminding, the format is a 30-minute statement by the minister, followed by a 30-minute response from the official opposition, a further 30 minutes from the third party, and then finally a wrap-up for either the government or the minister to use. The remaining 13 hours will be apportioned among the three parties in 20-minute segments.

I will now commence the proceedings by calling vote 2901 and turn it over to you, Mr Minister. Welcome. Just a small reminder to staff the minister has with him: as they approach the microphone, if they could introduce themselves and their positions, that would be beneficial for Hansard. Thank you and, again, welcome.

Hon John R. Baird (Minister of Energy, Minister responsible for francophone affairs, Government House Leader): Thank you very much, Mr Chair and members of the committee, for the opportunity to speak today.

As all members will know, a lot has taken place since I last spoke to this committee, and I would like to spend a period of time outlining some of the accomplishments and events of the past eight months. It has been a period of great progress in protecting consumers, protecting the environment and attracting new investment to Ontario's electricity sector.

First, though, I'd like to recognize some of the people here with me today. They've certainly made my tenure as Minister of Energy much easier and have been invaluable through an incredibly interesting and dynamic period. Judy Hubert is the assistant deputy minister. There is a lot of the team from the ministry. Jay Young is the general manager of the Ontario Energy Board. As all of you may know, the Ontario Energy Board notionally falls under the ministry and its books are together with the ministry, so it's not as independent as it could be, but thanks to the Ontario Legislature last night, it was agreed to spin it off. So this will likely be their last period of coming before a legislative committee as part of the OPS.

When I last sat here, we had just finished the hottest summer in about half a century. We had a summer where we faced potential electricity shortfalls and consumers were faced with high electricity bills. Clearly, something had to be done. I'm proud that we've worked over the last year, the last eight months particularly, to try to address some of the challenges. This past November we announced our action plan to lower hydro bills. As part of this plan, we've set the price of electricity at 4.3 cents a kilowatt hour, and this will remain in place through 2006. Importantly, it gives residential customers, small businesses and farmers the rate relief and stability they were looking for. We also capped the rate that people paid for distribution of electricity and launched a review of other charges on people's bills. We certainly heard there was a lot of concern with respect to the volatility, that it had taken the better part of a century to build the former monopoly at the old Ontario Hydro and that it would not be an overnight conversion to a market economy. So we obviously announced some changes that were adopted by the Legislature in an overwhelming vote. I think 88% or 89% of the people of Ontario voted for a member that supported the bill. I was pleased that it was a non-partisan issue.

I believe that we have to recognize that there's a need for new sources of electricity. In November our action plan put in place measures to allow the Beck tunnel project to proceed and allowed the Ministry of Energy to proceed with an independent study on the feasibility of moving forward with the Beck 3 generating project.

There is some confusion about the two issues because they are separate. We have two large tunnels which go from the top of Niagara Falls to the Beck site, some six or seven kilometres from the main falls. What we're looking at doing and what we're committed to do is to build a third tunnel, because we're not using all the water rights that we have through the International Joint Commission. We can get greater performance out of Beck 1 and Beck 2. We have limited capacity to store water in reservoirs behind the Beck plant. If we can have a greater amount of water, that will obviously allow us to run Beck 1 and 2 to a greater capacity and get more energy out of them. That's particularly important for clean energy because, of course, hydroelectricity is a non-emission type of electricity. It's incredibly expensive to build, but it lasts a long time, and most importantly, it's non-emission and is generally reasonably priced. We've done

a lot of work on that, and we'll be coming forward with further information on this.

We have put an RFP out for a feasibility study on the issue of moving forward with Beck 3. That would be a third station located adjacent to Beck 1 and 2. This issue has been discussed, I think by all three parties, over the last 20 or 30 years. What's unknown is how economically feasible it is to build. Obviously, we want to make sure that it is economically viable to do. Perhaps we would not move in the same way that governments in the past did, because the aesthetics of the landscape would be a greater priority now than they perhaps were when Sir Adam Beck initially built the facility. I've had the chance to sit and talk to Ontario Power Generation folks on the ground at Beck and had a look at the situation first-hand. An RFP has gone out for that feasibility study, and we're looking forward to that.

Obviously, if it's economically feasible, we are interested in going forward with it. I think there would be a lot of support for it. It's the birthplace of mass generation of hydroelectricity in the province. We're certainly excited by that. The potential economic development prospects of both the tunnel and the potential Beck 3 are obviously significant. Bart Maves, the local member, certainly pushed hard. There are also other economic benefits for Ontario if some of the contracting can be done. For example, for the liner of a third tunnel, one of the interested parties is a Mississauga-based company, which would be a contractor. There would be a real potential for that, if they were the ones to proceed, so we're excited about that.

We've also directed Ontario Power Generation to accelerate plans for the Portlands project in Toronto, which is a partnership with Trans-Canada Pipelines. We obviously need more electricity in the province. Clean-burning, efficient natural gas has got to be part of the mix. I'm cautious to place all of our marbles in that basket, because the price of natural gas is tremendously volatile. We saw that in December 2000 and January-February 2001. We also recently saw that this past spring. There have been a good number of stories in the business press, as members will be aware, about the shortages in the United States, and about the capacity of natural gas production and the willingness to proceed with natural gas production in Alberta.

There are huge reserves of natural gas in Alberta for 20 years. What remains unknown on the natural gas side is the extent to which it will be required to generate electricity to extract oil from the tar sands and the oil sands in northern Alberta. I think that even if it's from Alberta or if it's from one of their northern neighbours, including Alaska, a great deal of that natural gas could go to extracting the oil from the oil sands. Increasingly, Alberta is a very aggressive province in marketing their oil south of the border. In Alberta, they have potential oil reserves greater than Venezuela or even Iraq. Obviously, there's a terrific amount of interest south of the border. Premier Klein has met with senior officials including Vice-President Cheney. There's a lot of interest in

Washington and Houston in gas and oil from Alberta. But we've been working on the Portland site.

1620

It's also important for another reason. The integrity of the grid and getting enough energy into downtown Toronto is something that's important. There is a tremendous benefit to having another facility in the centre of the city, and of course the old Hearn site is one of them. I have noticed there's a lot of interest in this issue at city hall.

Ms Churley, I've seen some comments attributed to you in the paper where you recognize that natural gas has got to be part of the solution if we're going to close the coal. When I read those quotes, I want to tell you that I welcomed them. I think it's very responsible on your part.

At this time, we also committed to a consultation process on the future of the wholesale market. This will help determine how we can protect businesses and consumers while keeping a healthy market that would attract new investment.

We conducted a huge amount of consultation on that with large users and consumer groups around the province, and made a decision to increase the threshold from 150,000 kilowatt hours a year to 250,000 kilowatt hours a year this past winter. Generally speaking, it's been well received, but not universally. There are some who have expressed some concern. But it still keeps 50% of the retail market open. This allows some demand response to high prices. When prices do spike, there is a benefit for industry to respond. That obviously is good for the environment and for the rest of the market as a whole.

We also committed to review the Ontario Energy Board, with the goal of making it more effective and more accountable. This is something that I've taken a personal interest in. I served as a member of the Agency Reform Commission back in 1997, and prior to that I served as a member of the task force on agencies, boards and commissions. I have a tremendous amount of interest in this type of tribunal.

We did a lot of consultation around the province on this issue. We spoke to a lot of folks. We spoke directly to more than 50 representatives of consumers groups, businesses and energy participants. We got about 78 formal submissions when we posted a request on our Web site. We came forward with legislation that was recently approved by the Legislature.

I think the bill has widespread support. It's considered to be, broadly, a good bill. I haven't heard a tremendous amount of criticism either in the debate in the Legislature or in the public. There was some criticism that perhaps it was not as retroactive as it could have been or various other initiatives related to it, but generally speaking, I think the new energy board act that the Legislature passed last night will do a lot to protect consumers, to give the board the tools and the finances that it needs to do its job effectively.

I think perhaps the mandate of the Ontario Energy Board grew quicker than it could in terms of its having required resources. The ministry and even I have had discussions with the general manager to fight for enough financing for it, and I think its being self-financing will have a welcome impact to allow it to better do its job. I think, as well, being spun off from the ministry at some point, as the legislation suggests, will be good to strengthen its independence. I think consumers need someone independent to protect their interests. Enterprise has to have a fair arbitrator who will do the right thing, and this is a welcome balance.

The appointment of Howard Wetston as chair of the energy board has been universally applauded. Mr Wetston has a terrific amount of experience in this regard. He has most recently served as vice-chair of the Ontario Securities Commission. He takes up his new responsibilities next week. He is a former federal court judge. He was head of the Competition Bureau in Ottawa where he did a lot of work, particularly in the airline industry, and was seen as a successful consumer watchdog. He was of course deputy counsel for the National Energy Board. He is someone who all market participants—consumer groups and industry alike—have applauded. His skill set, with the reform that's gone on in the Ontario Securities Commission, will be welcome news for all consumers.

Mr Wetston also indicated a strong desire to assume a policy role, and I welcome that. He will be looking at where we go after 2006, to look at what will be a successful transition and to begin to give consideration to work with consumer groups, local distribution companies and other interested parties at what sort of options should be considered. I'm tremendously proud of his appointment. He is someone we spent a terrific amount of time recruiting and he will do a fantastic job. Together with the new legislation, I think we'll see great things coming out of that.

Last fall we made a strong commitment to alternative energy. The Premier promoted Steve Gilchrist to Commissioner of Alternative Energy and we also introduced proposals that included tax incentives and tax holidays to both promote conservation and encourage new investment in clean and green energy production.

If you talk to virtually any market participant, whether it's a co-op with a wind turbine, solar groups, the hydro industry or others, Steve has worked tremendously well with them and has been able to push a lot of initiatives. One of the recommendations of the all-party select committee on alternative fuels was a renewable portfolio standard. We asked Steve last fall to look at that. He spent an amount of time and pushed an aggressive plan that was reinforced in our throne speech, and we'll be able to see something in short order on that. With a renewable portfolio standard and the government's commitment to buy 20% of its electricity from new clean and green sources, I think that will provide a kick-start to a lot of wind and solar power, even biomass and new hydroelectric capacity—particularly micro-hydro, for

which we have a huge capacity in the province. I'm tremendously excited about that. That select committee has certainly had a huge effect and has been an example of how we can work together across political lines at coming to ideas and suggestions. You'll be hearing a lot more about some of those initiatives in the near future.

We also set a goal of making Ontario the leading North American jurisdiction for research and development of clean energy technologies. That's why we'll be contributing \$20 million to establish a centre for excellence in alternative energy. We've met with a lot of folks. I recently met with the principal and dean at Queen's University. They have a huge amount of interest in that. I think that's exciting. If we can harness the huge research capacity in high-tech, that can only enhance the marketplace we have today.

So where do we stand now? Our price cap has been a welcome relief for families, farmers and for small business people. Our financial forecasts on this show that it's tremendously important, particularly for small consumers.

As I mentioned, after extensive consultations, we announced the business protection plan. Under this plan, consumers using less than a quarter of a million kilowatt hours a year will be included in the 4.3-cent cap. All others will receive rebates under the market power mitigation agreement. There was a universal consensus that we could pay those rebates out quarterly. These are the pre-existing rebates that were set up to protect consumers against the market power of one participant, which at that time had 90% of the market. It's down to about 70% or 72%, as I understand.

We also kept the wholesale market in place. I think this is important if we want to encourage new investment and continue to attract imported power when it's needed. It also encourages competition among various generators in the province.

The review of electricity charges conducted, I think very capably, by Sal Badali came up with some excellent recommendations for making the bill easy for people to understand; a pilot project with Hamilton Hydro is well underway.

Our sales tax rebate on Energy Star appliances has been very popular. So far we've had more than 60,000 applications for the rebate. I just reported to the House yesterday 45,000 or 50,000; in fact, it's even more than that. It's 60,000 applications. That is exciting. We've approved more than 13,000 new energy-efficient refrigerators, 11,000 new energy-efficient washers, 500 new freezers and 11,000 new energy-efficient dishwashers. These are replacing old and inefficient equipment. The refund is pushing \$4 million. Enough power has been saved just from the conversion of those appliances to equal the total annual power consumed by more than 6,000 homes. So in the early goings of this initiative, it's been very successful.

1630

Our study into the Ontario Energy Board allowed me to meet with a number of groups and as a result we

introduced Bill 23, which I've spoken about. I think it will be good news for consumers and enterprise alike.

We have been working on some short-term, medium-term and long-term initiatives. Just this past week, last Friday, the Premier signed a memorandum of understanding with the Premier of Manitoba to allow further study of the Conawapa generating station and transmission line to Ontario. This project, if it went ahead, would add an additional 1,250 megawatts of clean hydroelectric power to the province. This is something I've had the pleasure of working on with my counterpart, Tim Sale, who's the NDP Minister of Energy. We've worked very well together to push this initiative. He's a very effective individual who was recently re-elected, and we're hoping he'll stay in the energy portfolio as we push forward.

We'd really like to see the federal government get involved in this initiative under their Kyoto plan. Paul Martin has spoken at great length of how the federal government doesn't have a Kyoto plan, and we look forward to getting that.

One of the key things in that which I find disturbing is there's not a clear recognition and commitment from the federal government that hydroelectric power is in fact eligible for credits. The whole idea of sending tens and even hundreds of millions of dollars to Australia, Russia or Third World countries for credits where there's no actual capping or reduction in emissions is crazy when we've got a huge potential here. In the greater scheme of things, it could be far beyond the 1,250 megawatts that's identified. There could be a more substantial amount of power there.

What we would need is the transmission. We're going to look at the business case for it. It may need some federal support. From my conversations and numerous meetings, both at federal-provincial meetings and bilateral meetings I've had in Ottawa-Toronto with Minister Sale, he believes there's a strong business case for it. I guess this memorandum of understanding that we've signed will determine that.

He has indicated, though, that there is a huge amount of interest south of the border to get that capacity. We have an opportunity in Ontario and in Canada to be proactive on this file. It is a long-term strategy, because obviously it would take a terrific amount of time for both the transmission capacity and the dam project to be constructed and become operational. It's definitely six, seven, eight, nine years away. We'll be pursuing that. I'll be meeting Minister Sale as a follow-up to the Premier's meeting with Premier Doer in the coming month to push that. What we hope is that the federal government would make that eligible for credits. It would help ensure its economic viability. You would begin to see the emergence of a national grid, which, as a Canadian, is an exciting initiative.

Since we last met, there has been a huge amount of work done across the province. I had the opportunity to tour and meet with the workers and the team at ATCO at the construction site at the Brighton Beach facility. There

has been a huge amount of work. That facility is well underway and is expected to be on line next year. When it's fully up and running, it will be about 500 megawatts of combined cycle, high-efficiency natural gas generation, which is good news for the province. It's been a partnership between ATCO and Ontario Power Generation. It is a great example where we're seeing the skills that ATCO's bringing to the table coupled with the core competencies of OPG, in working on the project.

Coral Energy is the sub-partner. It sells the electricity coming out of the plant and sells the natural gas going in. I have tried to work closely with Coral. They've made a substantial investment in Ontario and a welcome one. We hope it's an example for other projects in the future.

In the medium term, the Beck tunnel is an initiative. We're well under way at the Portlands facility. Some of the short-terms are through renewable portfolio standards, through Brighton Beach, through the refurbishment of the reactors at Bruce and the one at Pickering. I think that will all be good news. When we get the three reactors up an running in the province, together with the other announcements of plants already up and running, we'll see about 11% more power available than we did last summer, which is good news.

In the budget presented by the Minister of Finance, we have committed to have a task force on conservation supply to make recommendations on how the province can reduce its energy use and increase supply. I expect to make an announcement about this shortly. We've talked to some really outstanding individuals with a lot of experience representing a wide range of backgrounds. It will be a really blue chip panel and it'll be well-received in the province and, I know, by all members of the committee.

We hope this will help meet our commitment to close the coal-burning generating stations by 2015. People asked, "Why did you choose 2015?" We chose it because Jim Bradley, Marilyn Churley and Steve Gilchrist came to us, with the select committee on alternative fuel sources, with a unanimous recommendation to close the plants by 2015. We have taken a number of initiatives before that. We are spending a quarter of a million dollars on pollution abatement at Nanticoke and Lambton. We have a commitment to close the Lakeview facility by 2005. As he has reported to members in the Legislature, the Premier vetoed the sale of two plants in northern Ontario because there wasn't a commitment to convert the plants, which was important. We are obviously continuing the moratorium on the construction of new coal plants.

I do think it's important, and I underline this, to be realistic. If we could snap our fingers and all five plants were turned into natural-gas-fired plants, frankly, I'm not sure we could get enough natural gas into the province through the existing pipeline capacity. I'm not sure. If we could, the costs of the retail price of natural gas in the province would skyrocket. We've seen a number of stories in recent months and weeks that I can refer to about shortages and slowdowns and bringing new

supplies of natural gas on-line, but undoubtedly, natural gas in Ontario would become demonstratively more expensive, if you could even get it here. I think it's unrealistic to expect that by 2007 it will be achievable, and I accept the recommendations of the select committee.

One thing I would say with respect to coal is that we do have work to do with consumers. If we want to move to environmentally appropriate generation, it's going to cost more. Natural gas costs more than coal. Coal is cheap and natural gas is more expensive. People will have to understand that it will cost more if you are going to change. Obviously there's no doubt that we want to change. We are also closely watching new research done into pollution abatement with coal. I think there's a lot of exciting research going on and we follow that very closely.

Ontario Power Generation is buying a higher-grade coal that's better for the environment than the coal they used a number of years ago. We've been steadily reducing our reliance on coal in the province. Just two years ago it was at 30%. It's now down to 24% of our capacity. I think it's important not to put all of your eggs in one basket, not to focus entirely on nuclear, wind, solar, hydro, fossil fuels, natural gas or oil. I think we have a responsible plan that will ensure the viability of the Ontario economy.

One of the things that I'm concerned about is our major trading partners. Not all of them but many of them are using substantially more coal than we use. If you look at Illinois, Michigan or Indiana—Michigan is our greatest trading partner. If you look at Illinois and Indiana with the auto sector and auto parts—the auto industry is big—they use a substantial amount. In most cases, well in excess of 40%, 50%, 60%, even 70% of their electricity is generated by coal. I don't want to see a coal plant close in Ontario, for example in Lambton, and the next day a new coal plant open across the other side of the river.

1640

The Chair: You have one minute to wrap up.

Hon Mr Baird: Perhaps I'll finish my remarks during the last 30 minutes when we have an opportunity to respond. We feel that we have to do more in working with the Americans, with various states, co-operatively with the federal governments of both sides to ensure that we don't close a coal-fired plant in Ontario, only to have to see new coal-fired plants or existing coal-fired plants on the American side boost their capacity and then have even more smog. That's something that's important.

The Chair: I now turn to the official opposition for 30 minutes. Just a note that you may use that for a statement or you may, with the concurrence of the minister, engage in discussion.

Mr Michael Bryant (St Paul's): Thank you, Minister, and assistant deputy minister, for being here. We are on our way, as you may know, to a day of record demand. The all-time record, at least since the time we have been recording, on August 13 was 25,414 mega-

watts. As of 2 o'clock this afternoon, the market demand was 24,225 megawatts.

Hon Mr Baird: What did you say? Pardon?

Mr Bryant: Twenty-four thousand, two hundred and twenty-five as of 2 pm. So we are on our way to breaking that record.

Hon Mr Baird: Well, it's now up to 24,704 at 4 pm.

Mr Bryant: Yup, we're getting there.

Hon Mr Baird: It's 35 degrees out.

Mr Bryant: I would imagine we will break the record.

I guess my first question is, have you been notified of any blackouts or brownouts by the IMO?

Hon Mr Baird: Not with respect to generation or heat-related problems. I know that we did have a transformer that went down; it wasn't heat-related, but it was an equipment failure, affecting about 20,000 people in the great riding of St Paul's. I understand now the power's back on.

Mr Bryant: We survived.

Hon Mr Baird: I've lived in the province for 34 years now and from time to time there will be an equipment failure anywhere in the province; from time to time someone will veer off the road and hit a hydro pole and the lights go out in an adjacent area, so that's not new.

Mr Bryant: The spokesperson for the IMO, Terry Young, said, in effect, that you get blackouts—generation blackouts, we might as well call them for the purpose of this discussion—when the reserve margin is gone completely. We're obviously tip-toeing up to that point. You tell me that there hasn't been a generation blackout today. Is this something that the IMO informs the ministry of? Is it something that the IMO would have made public? What's the protocol, if you like, for advising the public of blackouts and brownouts?

Hon Mr Baird: First of all, the IMO is an independent market operator. They don't report to me, they don't work for me; they work for consumers and market participants. At every opportunity Dave Goulding, the CEO, and Jim Baillie, the chair, underline that point, as it should be—an independent body. We do stay in touch. The officials within the ministry do stay in touch, for a whole variety of reasons, with the IMO.

As you'll recall, from time to time, very infrequently—only once in the last eight months—they have to put out an alert to the public to ask for their participation to conserve energy. When we get into a period of time when there is a concern, that would certainly be the first step if there was a problem in the province of Ontario.

IMO used to be with the former Ontario Hydro for decades. It has obviously had to make contingencies. If, for some reason, all the nukes went down—we have a varied electricity system—if for some reason there was a major problem in the grid, they would have to prepare, as you would expect, for those emergencies. We had an ice storm in my part of the province, in eastern Ontario, and they learned a lot from that and do an even better job, I think, now. But obviously when your margins are tight, that's your insurance over what you expect to need.

To be a participant in Ontario's electricity market requires you to prepare an emergency plan describing how to respond to emergencies affecting either the supply or the delivery of electricity. The market rules contemplated that and that's something that obviously—

Mr Bryant: Would it be the ministry, the minister, who would notify the public of blackouts and brownouts or would it be the IMO?

Hon Mr Baird: The IMO.

Mr Bryant: You're going to be made aware of it, of course.

Hon Mr Baird: Obviously I would be active in that.

Mr Bryant: So the emergency plans are actually in the IMO—

Hon Mr Baird: With all market participants. For example, Toronto Hydro, as they have for decades, would obviously have contingency plans if there was a car accident, if a car took down a distribution pole, or if a line snapped on a transmission line, as has happened tens of thousands of times over the last century.

Mr Bryant: Just so I'm clear, though: the public would find out in the event of brownouts or blackouts?

Hon Mr Baird: Yes, of course. There's a clearly established protocol. If you talk to Terry Young, I'm sure he'll go through it for you.

Mr Bryant: You mentioned yesterday during question period in the Legislature the 500 megawatts with the new plant that's opened up in Sarnia. My understanding is that that plant has been down since Monday. Is that the problem? Is that part of the reason we've had such high imports?

Hon Mr Baird: The market rules are obviously there with respect to reporting. We have upwards of 323 plants in Ontario and from time to time one will go down for equipment failure, for servicing, planned or unplanned. So it's not uncommon for a plant, much like a car, to require servicing from time to time.

Mr Bryant: You mentioned yesterday in sort of defence—

Hon Mr Baird: It's one of the new plants that opened this past—

Mr Bryant: So it's your understanding that it's up and running.

Hon Mr Baird: As a market participant? I don't know what they do. It is public that it's been out for a few days. It's been up and running, though, since March. Just as any plant—you know, the TTC has X number of buses and every day a few are off the road for maintenance. Sometimes that's planned, where they're doing an engine tune-up, and sometimes it's unplanned, when something unplanned happens.

Mr Bryant: The budget papers obviously refer to the income of Hydro One. My question is about the agreement in 1999 between Ontario and Quebec for a 1,250-megawatt—I think I've got this right; you'll correct me if I'm wrong—interconnect. The cost was going to be \$100 million from Hydro One as initially estimated in 1999, but the lion's share was going to be picked up by Hydro-Québec. The Quebec portion of the interconnect, as I

understand it, was to be constructed by Hydro-Québec TransEnergy and obviously the Ontario part covered by Hydro One.

My understanding is that circumstances have changed, that the tariff structure is such that the incentives are gone for the transmission and generation side in Quebec and that the deal is basically dead and we're not going to get that interconnect in Ottawa between Ontario and Quebec. Is that right?

Hon Mr Baird: I certainly wouldn't say it's dead. I think we have had some really significant challenges seeing the issue go forward. Hydro-Québec has had some significant concerns. I don't know whether it would be helpful for me to publicly speculate as to what they might be.

I can tell you that Glen Wright, the former chair of Hydro One, took on the file personally to work with his counterpart in Quebec. I'm hopeful that the election of the new Premier, Jean Charest, will reduce any sort of nationalist concerns. Last night I met with Quebec's representative in Toronto and a Quebec minister and I raised the issue. I'd also raised it with the new inter-governmental affairs minister in Quebec and hope to be able to get together with the minister responsible in Quebec.

It is unclear, as any new government takes over, as far as who the players were before the election and whether they'll stay in place after the election. We took a period of a month or two to allow the new government to get settled. I hope to have the opportunity to sit down directly with Rita Burak. We met earlier this week and are beginning to plan to get together with our colleagues in Quebec. I know the Premier is taking a personal interest in this.

1650

Mr Bryant: Have you revised the cost estimates?

Hon Mr Baird: I think the entire project is about \$300 million. Quebec is one of the only jurisdictions in North America which operates on a different current or voltage—phase—so we need a phase shifter. I'm not an engineer—we'd need a phase shifter. So we don't know whether it would be on the Ontario side or the Quebec side. Basically, it's almost like when you go to Europe and you need to have one of those adapters. It's incredibly expensive. It depends on which side of the border it's on. Obviously, you would expect that there would have to be some negotiations on how the costs were split. It's not like you're having to build a new transmission system, because you could put it along the existing corridor from Quebec through the Hawthorne facility.

Mr Bryant: But construction has not commenced yet?

Hon Mr Baird: The Régie has not approved it in the province of Quebec. We have all of our approvals in place in Ontario with respect to the environment and other things, but the regie, the regulator in Quebec, has not approved it, and Hydro-Québec has not agreed to proceed.

Mr Bryant: Pickering A is next. I don't have time to go through all of the restart estimates. Historically, we know that in 1999, Ontario Power Generation's original submission to the Canadian Nuclear Safety Commission was that the restart target date was March 2000. That was a long time ago. According to the OPG annual report in 1999, all four units were to be up by now. Of course, we don't have any up.

When I asked you about this in October, you wouldn't give me a date. You said you wanted to have some better information. May 28, I think, is the last new news on it, in which you said there'd be substantially more power from Pickering A in July and, as I understand it, unit 4 would be fully up and running in August. Is that still the case?

Hon Mr Baird: Give or take a week. The good news is that the federal regulator did lift the guaranteed service shutdown earlier this week, which was an important milestone.

Mr Bryant: But there are further delays, then?

Hon Mr Baird: Not that I'm aware of; not that I contemplate today. The direction I've given them is that they have to ensure not just to meet the federal regulatory requirements but to ensure that the plant can be operated safely and effectively.

Mr Bryant: I think you're being very honest in saying, "Give or take a week," but I take it that you said, "Give or take a week," because you're anticipating delays?

Hon Mr Baird: The information from May 28 is that they'll begin to generate electricity in July and hopefully be up to full steam by the end of August.

Mr Bryant: But have you gotten any new news since May 28?

Hon Mr Baird: No.

Mr Bryant: Bruce: we also know that there are some delays there. What is the latest on the estimates?

Hon Mr Baird: I'd like to speak to Bruce because—to be fair, you haven't done this—I always hate to see Pickering compared to Bruce. Bruce may be behind a few weeks or a month or two from this spring. Of course, Pickering is the same, plus three years. So the Bruce transaction, I think, has been incredibly successful. The best information that I have is on or about August 17; I think that was contained in the IMO outlook.

Mr Bryant: Just back to Pickering; sorry. After unit 4 is completed, give or take a week, in August, I presume, there are projections as to the 3, 2 and 1 units in Pickering A. Several years ago, the working assumption was that it would take an additional six months for each. Is that still the case?

Hon Mr Baird: One of the things that we've done, as you know, is we've appointed a three-person review team headed up by Jake Epp to look into the reasons and reasonableness of the delays and costs of the project. I want to have their advice and conclusions on units 1, 2 and 3.

Mr Bryant: So you can't say right now?

Hon Mr Baird: I'll reserve my judgment until I get their advice. I think the three of them are an outstanding group of individuals.

Mr Bryant: Yes, they're all great. It just wasn't clear; at one point it looked like part of their terms of reference was perhaps to look at whether or not it doesn't make sense to continue with the refurbishments of units 1 to 3.

Hon Mr Baird: I would certainly like to get their advice on units 1, 2 and 3 before I come to a conclusion. I think one of the things I've learned is to get the information first and then form judgments second.

Mr Bryant: So in fact they will be looking at, then, the viability of refurbishments in units 1, 2 and 3?

Hon Mr Baird: I'm going to be looking to get their advice on the project before I come to a conclusion.

Mr Bryant: OK. The temporary natural gas generators that were announced, I guess, on June 3: the first question I wanted to know was with respect to the status of the contract negotiations. Have those been completed?

Hon Mr Baird: They're just about complete.

Mr Bryant: Any estimate as to when they might be completed?

Hon Mr Baird: I met with the Ontario electricity financing authority team this morning about that very issue. They are completing a number of the things in the near future. I just don't want to put any of those contract discussions in jeopardy, as you'll understand.

Mr Bryant: The interconnection assessment I know has to take place. Has that been completed or will that have to wait until after the contract negotiations are finished?

Hon Mr Baird: Many of the seven have already looked at that. Obviously, the final approvals have to follow the contract signing, which obviously will follow their successful completion of the RFP process. Some are farther along than others. Some will be a slam dunk. If it's a transformer yard, you know, it's obviously easier.

Mr Bryant: Also I take it nominal approvals will be necessary and those will—

Hon Mr Baird: Certificates of approval obviously will be required.

Mr Bryant: And we can't start those I guess until the—

Hon Mr Baird: Those are well underway.

Mr Bryant: They're well underway.

Do I take it then, since the contract negotiations have not been completed, that we won't see the temporary generators up and running in July?

Hon Mr Baird: I think you'll begin to see them come on-line in July, the end of July. You'll certainly see a majority by the end of July.

Mr Bryant: But not all of them.

Hon Mr Baird: We'll wait and see the contract discussions. That's the estimate that we have now.

Mr Bryant: OK. The cost: \$100 million, which I think is a lot of money, was the estimated set-up cost, I think is how you put it, and you can explain that.

What are your estimates for the other costs? I know there are fuel costs. There will be the cost of keeping the generators on standby. It's not just \$100 million.

Hon Mr Baird: The \$100 million would include the set-up and standby. Obviously there would be the—

Mr Bryant: Dismantling too?

Hon Mr Baird: Yes.

Mr Bryant: So set-up, standby—

Hon Mr Baird: To basically have the power available if called upon.

Mr Bryant: Everything but the fuel. Is that right?

Hon Mr Baird: Yes, and the marginal operation costs.

Mr Bryant: What is that?

Hon Mr Baird: It has to basically be on standby, so the difference between standby and if there was a—I'm trying to think of an example. A fuel tax would be one. There might be associated maintenance costs with it running or something like that. I think those would be fairly insignificant in comparison to the total cost.

Mr Bryant: I've no doubt the ministry estimated what the fuel costs would be, and I realize these are going to be estimates. What are the estimated fuel costs?

Hon Mr Baird: I think we're just in the final part of the negotiation, crossing the t's and dotting the i's, so, as you'll appreciate, I wouldn't want to jeopardize that. We have people probably in another building across the street working on the contracts. I don't want to jeopardize those, as you would understand. I'm sure that's the kind of good advice you would provide to a client in your former days as a Bay Street lawyer.

Mr Bryant: Perhaps, but those days are over.

The accusation has been made in here—I'll make it now—that the government in fact doesn't know what those costs are, and that's why you're not telling us. In fact, the fuel costs wouldn't be relevant to the contract negotiations as it speaks to set-up and operating them. If you in fact knew what the fuel costs were, I have no doubt that you'd tell us. Why—

Hon Mr Baird: Well, since it's a variable charge, obviously you see natural gas prices traditionally go down during the summer months because it's not used as much as it is in the winter. Having a reserve margin, as we want to have, you obviously plan to have electricity generation that's available but not used.

I was reading the other day the new bestseller, *Public Power*, by Howard Hampton. He sort of summed it up well. He said:

"Most systems plan for a surplus of around 15% over peak demand. This is our reliability insurance.

"Why is this a challenge? Because idle capacity has to be paid for, even when it's not being used. Insurance is not free."

Obviously, in this one instance with respect to electricity, Howard is correct.

1700

Mr Bryant: By the way, did you say that power has been restored in St Paul's as a result of that blackout?

Hon Mr Baird: As I understood it, the last report that I got half an hour ago is that the power is back on.

Mr Bryant: Just to confirm, you said that the cause of it was not a generation blackout?

Hon Mr Baird: As I understand it, my information was that a Hydro One transformer went down. It was not heat-related. It was the result of equipment failure, and it affected 20,000 people in your constituency. I was told the power is now back on. As I understand it, there is some media interest trying to suggest it's something that it's not. I'm sure Dan Miles is actively working on ensuring that the facts get out, and if he's not—he is.

Mr Bryant: Thank goodness you're here.

Hon Mr Baird: That's one of the things which I think is a concern. I mentioned that I've lived here in Ontario for 34 years, my entire life, and we do lose power from time to time. Every time the lights flicker, people scream, "Blackout." That's not responsible.

Mr Bryant: The price cap thus far has resulted in a shortfall of \$600 million. Do I take it you're still maintaining that the price cap is going to pay for itself?

Hon Mr Baird: We presented an action plan, the centrepiece of which was the 4.3-cent price cap for 50% of the market. I think it was predicated on three, four or five things: one, that we'd be able to look at 48 months—48 months would be a more stable weather pattern; two, that when we brought more baseload generation on-line that would have a positive effect on price—obviously, nuclear power as baseload is less expensive.

Mr Bryant: I'm sorry; I don't have a lot of time. Is it still the government's position that the price cap is going to pay for itself?

Hon Mr Baird: I think the action plan and the fund will pay for itself.

Mr Bryant: There is a report out from Peterborough Holdings Inc. Minister, are you aware of this report?

Hon Mr Baird: With respect to—

Mr Bryant: It was put out by—

Hon Mr Baird: We have 92 or 94 different local distribution companies.

Mr Bryant: Really? I don't know if you're aware of this. It was in a published report, the annual report of Peterborough Holdings Inc, and it estimated that the cap was going to cost \$6 billion. There's a pretty big difference between zero and \$6 billion.

Hon Mr Baird: I think that's crazy.

Mr Bryant: You think that's crazy—\$6 billion?

Hon Mr Baird: Yes.

Mr Bryant: How come?

Hon Mr Baird: You'd have to do the math yourself. Obviously, a major source of the fund is the market power mitigation agreement for the 50% of consumers. Perhaps that's the gross cost and not the net. In November when we were developing this platform, Ontario Power Generation was getting revenue averaging about \$100 million a month. So I suppose that would be about 12 times 48 months—that would be \$4.8 billion. Perhaps if that report you're citing is talking about the gross and not the net, then I think that would be alarmist.

Mr Bryant: It's a \$600-million shortfall to date. I take it you're going to somehow—

Hon Mr Baird: The power is on.

Mr Bryant: What's that?

Hon Mr Baird: We've been in touch with Steve Andrews at Toronto Hydro, and the power is on.

Mr Bryant: The bearer of good news.

Hon Mr Baird: The Ontario electricity system is working hard for the constituents of St Paul's.

Mr Bryant: I don't know if they feel that way, but we'll—

Hon Mr Baird: I think the team at Toronto Hydro—there are a lot from the Power Workers' Union out there working hard to get the lights and the transformer back on. I have a lot of confidence in the power workers.

Mr Bryant: I have a lot of confidence that my constituency phone is ringing off the hook right now, so we'll give them that news. Thank you.

Negative option billing: the Ontario Energy Board put out a consumer advisory on this subject. I know that you have said there are no electricity retailers out there seeking renewals right now. If that's the case, then why would your regulation cover electricity contract renewals when the issue was always about natural gas?

Hon Mr Baird: As you know, the Ontario Energy Board Act was tabled long before I spoke to this issue. Certainly one of the things that came out of the Ontario Energy Board reform discussions was we wanted to harmonize the rules and regulations for gas and electricity, and there was the suggestion that this was somehow a way of getting people off the 4.3-cent price cap. That certainly isn't the case. There's no one out in the field offering it. You can't get a renewal notice sent, because no one is offering to renew.

Mr Bryant: So what do you say? I mean, it's the Ontario Energy Board; it's not some fearmongering organization. They expressed the concern that in fact while there may not be a retailer right now—

Hon Mr Baird: I could make it clear: not one single person will lose the 4.3-cent cap, not a single person.

Mr Bryant: Then why pass the regulation to create the opportunity?

Hon Mr Baird: We've combined natural gas and electricity. That's what we're seeking to do. We can't with one hand say we want to harmonize the rules and regulations and then do the opposite with the other.

Some people may want to come off the 4.3-cent cap. I've talked to people who want to buy clean electricity, they want to buy solar, they want to buy wind, and they're prepared to pay a little bit more for it because they think it's environmentally responsible. Kudos to them. The government's going to be doing that. We're going to be buying 20% of our electricity from clean, green, renewable sources. That's a commitment we made in our action plan. It will likely cost more than 4.3 cents, but I think we want to lead by example. So we'll be one of the customers that would go off that 4.3 cents.

Mr Bryant: The estimates obviously cover your expenses. You have said that you have not had any of your

expenses covered by Ontario Power Generation. Is that right?

Hon Mr Baird: None to speak of. The odd time you might—I think I got a baseball cap from Ontario Power Generation. I think I had lunch with their board of directors once at the OPG boardroom, expenses like that. I have not gotten any ground transportation, no travel, nothing whatsoever.

Mr Bryant: The position defended by your predecessor as government House leader was that it was satisfactory to have ministry expenses picked up by Ontario Power Generation. The problem, as I see it, is that it takes expenses that would otherwise be made public and puts them in a place where they wouldn't necessarily be disclosed.

Is it going to be your practice as Minister of Energy to avoid having expenses picked up by OPG?

Hon Mr Baird: We'll obviously—I haven't had occasion to—look to the Integrity Commissioner. I know Chris Stockwell. I know him to be an honourable person. I think he acted in good faith on that issue. To his credit, the minute the issue was raised in the public domain with respect to the appropriateness of it, he picked up the phone and called the Integrity Commissioner and said, "Hey, what do you think?" The Integrity Commissioner will make a determination. Mr Stockwell has said he'll make it public, to his credit—

Mr Bryant: Still?

Hon Mr Baird: That's what he said in the Legislature.

Mr Bryant: I just assumed we weren't going to see it.

Hon Mr Baird: I think that if it was a violation of something you probably would have filed a complaint. There is a process where only members of the Legislature can file complaints against one another. It's a process that's regularly done. I notice you didn't file a complaint against him, so I've got to assume that if you thought he had done anything wrong you would have filed a complaint with the Integrity Commissioner under the act, and you could—

Mr Bryant: I think it's pretty clear that the act covers as to whether or not it's a gift or a personal benefit, and that's not my concern. My concern is diverting funds from public view—

Hon Mr Baird: If you thought it was something untoward—

Mr Bryant: —and a Minister of Energy having an expense account—

Hon Mr Baird: —I thought you would have made a complaint to the Integrity Commissioner and said, "I want to file a formal complaint," where affidavits would be required—

Mr Bryant: Nice try. You know, Minister, I think it's pretty clear that what Minister Stockwell did is not defensible, and if you want to start defending it now you do it at your own peril.

In any event, I take it that it's your position that the Minister of Energy ought not to be, on an ongoing basis,

having his or her expenses put through Ontario Power Generation.

Hon Mr Baird: Given that one of my colleagues, my predecessor, has had to step aside pending a review of the Integrity Commissioner, it's obviously something that was a concern.

The Chair: You have approximately three minutes.

Mr John Gerretsen (Kingston and the Islands): Can you just give me a sense as to what the ministry itself is actually doing with respect to the issue of supply? The way I see it, supply is going to be the crucial issue in the next two, three, five, 10 years. What is the ministry doing to encourage an increase in supply? What are you actually doing?

Hon Mr Baird: Your question is very valid. You're right. Supply is the big question. I think Mr Conway made that point. You were in the House I think for it when he spoke, and I agreed with his comments.

We've done a number of things. We've put in place a series of significant tax incentives to encourage the development of clean, green electricity. For example, the Beck tunnel project couldn't go forward with the old tax regime. We've changed that. Conservation initiatives like the Enwave project here in Toronto, the deep-water cooling project—they came forward and said, "Listen, here's a tax system that's anti-environment. Would you change it?" That will conserve a good number of megawatts, potentially double-digit megawatts, so we've done that.

1710

In the budget, Mrs Ecker committed that we'd come forward with a task force on supply and conservation; I'll be announcing that very shortly. We've recruited a topnotch group of individuals to look at that.

Mr Gerretsen: OK, what about Beck 3? What's the government's position with respect to Beck 3?

Hon Mr Baird: As we committed to do in the action plan, we issued an RFP for a feasibility study to look at the economic viability of that project. I've worked very hard on the—

Mr Gerretsen: What kind of a timeline are we looking at?

Hon Mr Baird: At the end of the year I think we'll know.

Mr Gerretsen: End of the year for what?

Hon Mr Baird: For whether it's feasible to proceed. I mean, it can be done. The question is, is it going to be 25-cent power or is it going to be—

Mr Gerretsen: Let's assume it's feasible.

Hon Mr Baird: If it's feasible, it will be done—definitely.

Mr Gerretsen: By whom?

Hon Mr Baird: We'll look at that. We'll wait to see if it's feasible first.

Mr Gerretsen: I mean, is it the intent of the government to do it itself, through OPG, or is it the intent of the government—

Hon Mr Baird: Well, obviously the Beck site, being the first site, being on the Niagara Escarpment and along

Niagara Falls, I'm very sensitive to that and the government is sensitive to that. We'll look at that issue.

Mr Gerretsen: Have you got any idea as to how much energy you can actually produce there?

Hon Mr Baird: Six hundred megawatts?

Interjection.

Hon Mr Baird: Nine hundred megawatts. If it's a viable project, I'd be excited by it.

Mr Gerretsen: Nine hundred megawatts. So that would be about 2% or 3% added to the existing—

Hon Mr Baird: And the base load too.

Mr Gerretsen: Any other projects the government itself would be committed to?

Hon Mr Baird: The Conawapa project that I spoke of earlier that Premier Doer and Premier Eves signed a memorandum of understanding on. That's 1,250 megawatts. That's something I'm very supportive of. I've worked very closely—

Mr Gerretsen: You're studying that right now.

Hon Mr Baird: Yes. They're looking at the economic viability.

Mr Gerretsen: When will you know whether or not that's feasible?

Hon Mr Baird: I would hope November. We would have been cutting the ribbon today if it hadn't been cancelled by a previous government.

Mr Gerretsen: What about Quebec? You're talking to Quebec right now.

Hon Mr Baird: You bet.

Mr Gerretsen: What do you hope to get out of that and when?

Hon Mr Baird: A transmission line for 1,200 megawatts in three years.

Mr Gerretsen: In three years.

Hon Mr Baird: Yes. The Portlands Energy Centre by 2006 is an initiative that we're working on very hard. It's a joint partnership between OPG and TransCanada Pipelines, which is exciting. It's important particularly for the stability of the grid in downtown Toronto and we've been working very hard on that. They're going forward and doing the environmental assessment now and they'll be starting it—

Mr Gerretsen: Why, according to your plans, is it going to take 10—

Interjection.

Hon Mr Baird: Then maybe they haven't had the hearing, but they've—

Mr Gerretsen: She'll get her opportunity in a moment.

The Chair: I have to interrupt the exchange.

Mr Gerretsen: I was just getting started.

The Chair: We're a minute over time so I'll ask you to hold those thoughts, that discussion, and ask you to return to it perhaps in the next round. We don't know exactly when the opportunity will come.

I now turn to the third party. Ms Churley, you have 30 minutes which you can use for a statement or you can engage in discussion with the minister, with his concurrence.

Ms Marilyn Churley (Toronto-Danforth): Thank you very much for this opportunity. I guess I'll just pick up from where we were heading when it came to me. I do know what's going on. Because there's a community process, this is going to be in my riding, should it be built. The environmental assessment is a different process. A different specific process was set up to deal with new generation outside of the environmental assessment process and we're in the middle of that right now. I think we were told by the end of this month—I've forgotten what it's called—the document coming from the proponents would be coming forward to the Minister of the Environment and we're going to be getting a copy for everybody to look at. I must say that it is controversial in the community.

We're working through various questions and processes. One of the issues for me, because of our very strong position on public ownership, is the public-private partnership in this case. There are a number of other issues and questions that the community has about this, ranging all the way from those who believe—and, frankly, I think as we hear more and more about the costs of gas and the volatility—that it can only be used in that short interim way as we try to get away from using fossil fuels, so I just wanted to—

Hon Mr Baird: I'd certainly offer you, informally, if the Ministry of Energy or the OPG can work with you and your office on getting the information, we'd certainly be happy to because I think it's a good project.

Ms Churley: We do. In fact, we are working very closely with—

Hon Mr Baird: Frankly, I think your public comments, certainly recently, have been responsible and I want to put that on the record.

Ms Churley: Thank you. The other thing I wanted to comment on before I get to my questions is your comments both in this committee today and in the Legislature about the select committee on alternative fuels, on which I was the official member from the third party. I was the only New Democrat there. I think it would be fair to say that I caused more trouble on that committee than anybody else.

Hon Mr Baird: Than Steve? You're claiming to cause more trouble than Steve?

Ms Churley: Yes.

Hon Mr Baird: That's quite an accomplishment.

Ms Churley: No; in terms of making Steve compromise.

Hon Mr Baird: I heard it was the other way around.

Ms Churley: No, not in this case. I'm happy to say that in the spirit of co-operation, a lot of compromises were made. We were under a tight deadline. We all agreed that we wanted to sign off and meet the commitment of the deadlines for the interim report and then the final report. I think it is fair to say that some of the target dates for some of the proposals and recommendations are extremely aggressive and may not be—frankly, we'll see. I think we're falling behind on many of them now. As for the date on phasing out coal, it was a compromise.

Hon Mr Baird: But you signed off on it.

Ms Churley: I did. I signed off on a report, in fact, where I thought I'd had all of the references—this is one of the things I demanded—on private generation of power taken out. Upon receiving the report, I noticed that one slipped by, and I wrote a letter to clarify that.

Hon Mr Baird: Which one was that?

Ms Churley: I forget now, but there was something.

I just wanted to say, though, in all seriousness that I see those recommendations as a benchmark, but that shouldn't mean that if we can do better than the suggested recommendations in that report that we shouldn't. That's all I'm saying. Just because I signed off on the report—to have that thrown in my face all the time—it should not indicate I'm not in favour of trying to do something that's going to benefit the environment and people's health.

Hon Mr Baird: You say, if we can do better or try to do something. To your credit, that's what you're saying: if we can. But others have said they can't.

Ms Churley: I believe that we can, with really aggressive conservation efficiency programs and other things.

Hon Mr Baird: What would the price of electricity be?

Ms Churley: I just want this for the record. I believe we can, and I believe that just because the committee signed off on 2015 doesn't suggest that I don't want to attempt to move that date forward. I think you would admit that it's unfair to hold people to—

Hon Mr Baird: To reports that they sign? This report has your name on the front cover.

Ms Churley: That's right, but I'm putting it on the record—

Hon Mr Baird: I don't think it's unfair to say that you signed off on this report. You said you signed off on it. I don't think it's unfair to say that this has the Marilyn Churley stamp of approval.

Ms Churley: I'm simply saying that I think it makes sense. It's very important to put on the record that the NDP position is that we phase out the coal plants by 2007. That is our commitment, and I believe it should be everybody's commitment, even those from the Tory caucus who signed off and still say 2015, to try to move that date up.

Hon Mr Baird: I think we should try. I just don't think we can commit to it unless we have a plan.

Ms Churley: Think positive.

Hon Mr Baird: I have to do more than think positive. I have to think what the price of electricity will be. If we closed 24% of the electricity plants today, the price would be 10 cents. What would your constituents say about 10-cent power?

Ms Churley: Now I want to move to a number of questions. I wanted to come back to the emergency generators. The official opposition asked some of the questions I had.

First of all, I just want to be very clear that there's an absolute commitment that there'll be no diesel generators.

Hon Mr Baird: Yes.

Ms Churley: That's for sure. OK.

Hon Mr Baird: I think Howard bet me a month's salary in the Legislature that—

Ms Churley: He did that again?

Hon Mr Baird: Yes, he did. Shelley was sitting there and looked rather disturbed. She saw her summer holidays disappear. Her Christmas is already gone. Her holidays are already gone. Could you maybe follow up on that for me? I've been checking—

Ms Churley: I have little time, and I have some serious questions here.

Hon Mr Baird: This is serious. I've been checking my bank account, and I haven't seen it.

Ms Churley: Your request for proposals said that private sector proponents would have to have the temporary generators up and running by June 1, or at least by June 15.

Hon Mr Baird: No, it didn't. I'm sorry; you're wrong. Do you have a copy of the RFP there? It didn't say that.

Ms Churley: No, I don't have a copy with me, but that's my understanding from what was said earlier.

Hon Mr Baird: You're wrong; it did not say that. Howard Hampton gets up in the Legislature every day and says things that aren't factual. That's wrong, so you'd better get the report.

1720

Ms Churley: Let me go on, then.

Hon Mr Baird: Put all that research aside, because it's not true. It does not say that it has to be up and running by the 15th.

Ms Churley: When the successful bidders were announced—the date has now shifted, then, to stages through the month of July.

Hon Mr Baird: It hasn't shifted.

Ms Churley: Are you saying that when you signed these contracts, there was no—even though you knew summer was coming?

Hon Mr Baird: The thing said it could be any time after June 15. It didn't say by June 15, just as you said. We can have a debate, but when you have to stretch the facts so far that it's no longer factual, I have a problem with that.

Ms Churley: I don't know. You're saying one thing, and I'm hearing another thing.

Hon Mr Baird: Get the RFP. I think you'll come back here and say you're wrong—I hope.

Ms Churley: Sure. Recognizing that summer was coming and that heat waves could come, I don't know why you didn't start your request for proposals earlier, given the lateness that they're going to start up now. You agree that this is a problem.

Hon Mr Baird: If you read the IMO's report, it points to October being the biggest challenge for us, because we have some plants that are down for scheduled main-

tenance that's required. So I think on a short-term basis, meaning eight months to 12 months, there was a concern. The genesis of this idea was that it was brought to my attention that at the time—this was before the Iraq war—there was a depressed market for these temporary generators and they could be bought at less than the full value, and that this was an opportunity we should look at, and we did.

Ms Churley: Were there other bidders who possibly could have started earlier?

Hon Mr Baird: Not to my knowledge.

Ms Churley: There were no other bidders, then.

Hon Mr Baird: There were. There were obviously some people who won and some people who lost.

Ms Churley: Who were the bidders?

Hon Mr Baird: I don't know whether that can be—

Ms Churley: Somebody has come to my rescue here. Thank you, Fred Gloger, researcher.

Hon Mr Baird: You have the RFP there; what does it say?

Ms Churley: I'm going to come back to that in a second.

Hon Mr Baird: I think you should come back to it now.

Ms Churley: I can now. I've got it right here. Please—

Hon Mr Baird: She's badgering the witness.

The Acting Chair (Mr John Gerretsen): Mr Minister, I think you're badgering the—

Ms Churley: I will come back to it; I have it. I just want to finish the follow-up on this. Who were the other bidders and why were they not accepted?

Hon Mr Baird: I'd have to check. I can tell you that we received 18 proposals. I was not involved in the selection of the RFP winners, as your leader has suggested—which I think is regrettable—so frankly, I don't think I could name them. I know from the newscasts that Ottawa Hydro was one, because I saw it on TV in Ottawa. But I did not get involved and say, "Give this contract to this person" or "Give this contract to that person," as your leader has suggested.

Ms Churley: I do have here the RFP. I'm on page 1: "Part 1—Introduction....1.2: Type of Contract for Deliverables. The successful respondent(s) will be required to enter into an agreement with" blah, blah, blah "... contemplates that the term of the agreement for temporary generation resources will be for a period of up to seven months commencing on or about June 1, 2003 and continuing through December 31, 2003."

Hon Mr Baird: Yes, "on or about"; it didn't say "on June 1." Then, I refer you to page 7, where it says June 15, which would be the earliest anticipated date.

Ms Churley: And what's the date today?

Hon Mr Baird: We said "earliest." We didn't say—

Ms Churley: What's the date today—June 25?

Hon Mr Baird: It's past June 15, but we didn't say—on this chart, one of them says "RFP Closing Date," and this is the earliest. You said to this committee that they would have to be up and running by June 15, and you

were wrong. Every day, New Democrats stand up in the Legislature and twist the facts, and I'm going to point it out.

Ms Churley: "On or about June 1, 2003."

Hon Mr Baird: "On or about," and "earliest anticipated date."

Ms Churley: On or about June 1; I would consider that to be—

Hon Mr Baird: Take the Hansard and you'll see that you were wrong.

The Acting Chair: Just a minute. Ms Churley has the floor. If the minister wishes to change places with Ms Churley, that's OK too, but she's the one who's asking the questions right now. Go ahead.

Hon Mr Baird: He's coaching the witness, Your Honour. I'm just saying that I feel I strongly about this. Your leader gets up in the House and says things that aren't factually correct, and in this committee, I'm going to respond.

Ms Churley: I have the evidence right here in front of me.

Hon Mr Baird: And that's wrong.

Ms Churley: So now you deliberately wait until after the heat wave comes.

Mr Frank Mazzilli (London-Fanshawe): On a point of order, Mr Chair: If Ms Churley has some evidence, perhaps she could share it with the entire committee.

Ms Churley: I can. It's right here. I read it out.

Hon Mr Baird: It's not factual. You can check the Hansard. It shows that—

Ms Churley: On or about June 1. Come on, don't be ridiculous. Here we are in a—

The Acting Chair: Just a minute now. Order. Are you prepared to share this with the committee?

Ms Churley: Sure. People can look at it; absolutely.

The Acting Chair: We'll have some copies of it made to share it with the committee. Fine. Thank you. Go ahead.

Ms Churley: I have a short period of time, and I have further questions.

Hon Mr Baird: I have 15 hours. Oh, now he's trying to take it back. You said you'd table it.

The Acting Chair: That's the clerk, who's taking it to get copies made.

Ms Churley: I was grilling the minister earlier about barbecues. I'm just trying to ask you some—

Hon Mr Baird: What do barbecues have to do with it? He's trying to take the report away.

Ms Churley: What is it I do to these ministers, Mr Chair? What's the matter?

The Acting Chair: It's been eight years of frustration. But go ahead.

Ms Churley: OK.

Hon Mr Baird: Chair, you're supposed to be non-partisan.

Ms Churley: We covered how much of the—

Hon Mr Baird: I'm reacting much better than Jim Wilson did earlier.

Ms Churley: John, listen to me—yes, that's true, but not much.

Operating costs: we covered that. We really don't know how much the fuel is at this point. You're still in negotiations about that. What is the projected date now for all 409 megawatts to be available?

Hon Mr Baird: I think we'll have the majority of that on-line—

Ms Churley: On or about—

Hon Mr Baird: —the majority of that on-line in July.

Ms Churley: July. Like early July, mid-July, late July?

Hon Mr Baird: Mid to late.

Ms Churley: Mid to late July. OK, I'm writing this down.

A story in today's Hamilton Spectator suggests that you could have saved the same amount of power as you're getting from these generators by reducing voltage. I'm just wondering if you've considered that.

Hon Mr Baird: They did reduce voltage for 14 minutes. IMO reduced voltage for 14 minutes last year. It's not something that's—

Ms Churley: So it's something you considered and decided that it was not—

Hon Mr Baird: That's a thing you do before a blackout.

But conservation alone as an energy-saving strategy has had limited usefulness. Do you agree with that?

Ms Churley: I want to—

Hon Mr Baird: Do you agree with that?

Ms Churley: No.

Hon Mr Baird: Oh, well, Howard Hampton put it in his book, on page 143: "Conservation alone as an energy-saving strategy has limited usefulness." Howard Hampton said that on page 143. So you disagree with Howard Hampton.

Ms Churley: No, because you're just reading out of context.

Hon Mr Baird: I'm not. It's on page 143 of his book.

Ms Churley: Boy, is he ever defensive, eh?

Hon Mr Baird: No, it's on page 143 of his book.

Ms Churley: So last April, getting to public power and—

Hon Mr Baird: It's on page 143. Do you want me to read it?

Ms Churley: No.

Last April, if you'll remember, Howard Hampton held a press conference. We talk about it repeatedly. We propose that Ontario, instead of using these temporary generators, embark on a really aggressive efficiency and conservation program.

Hon Mr Baird: Well, Howard Hampton said that he thought conservation has had limited usefulness.

Ms Churley: So what I wanted to ask you is, could you table with us any studies whatsoever that you've done on using conservation to shape peaks in demand. I want those tabled, and I'd like a comment now on what your ministry did to analyze those studies, if in fact there are any.

Hon Mr Baird: My good friend Tom Adams—is he here?—made some comments about your leader's—

Ms Churley: Please answer my question, John. Did you do any studies?

Hon Mr Baird: We will be coming forward with a significant conservation strategy, a significant communications effort with the people of Ontario. I showed you the brochure the other day. You said on TV that it was only barbecues. But of course, there was a whole series of advice in that brochure.

Ms Churley: But did you do any studies, any really hard studies on an aggressive efficiency program?

Hon Mr Baird: I don't think we need to commission any more studies. I'm a strong believer in demand-side management. I'm a strong believer in energy efficiency. We've brought forward significant initiatives on energy efficiency through the tax regime to allow companies to move to energy-efficient equipment and give them immediate tax write-offs on that.

Ms Churley: In fact, on that, I think you said that 60,000 today, although before it was 45,000 households. Did you say 60,000 today?

Hon Mr Baird: I said 45,000 in the House, but I found out that I was understating it. It's really 60,000.

Ms Churley: Yes, but that's still only about 1% of Ontario households. How many megawatts will that save?

Hon Mr Baird: But you guys said it was only 3,200. That's the equivalent of 6,000 homes. Howard Hampton held a press conference and said it was only 3,200. He never apologized for being wrong. Would you ask him for an apology for me?

Ms Churley: What I want to know is, why are you printing leaflets only now—and that was just a draft that you brought forward—

Hon Mr Baird: They're on the Web site today. They're on the Ministry of Energy's Web site today.

Ms Churley: —advising people on how they can save energy?

Hon Mr Baird: They're on the Ministry of Energy's Web site—

Ms Churley: I'm just asking a simple question. Why wait so long?

Hon Mr Baird: In all seriousness, in the action plan we committed to come forward with a public education campaign on conservation for residential customers. I think the best time to start that is the beginning of the summer. The first day of summer was the other day. We'll be coming forward in short order, and I think you'll be very impressed.

Ms Churley: I just also wanted to ask you, though, coming back to the lack of studies on a conservation campaign that would save up to 3,500 megawatts, you don't have any such thing. But I want to know in particular, did you do any analysis of the 20/20 California plan that we have been promoting and have known about for some time? You know what I'm talking about, the 20/20 plan?

1730

Hon Mr Baird: I've not studied the California—

Ms Churley: The 20/20 program. As you know, when their deregulation plan collapsed—failed—they were in an emergency situation, and one of the things they did was, instead of investing a ton of money in emergency generation, and they had to do that too, they invested, as you know—I forget the amount—quite a significant amount of money in conservation and efficiency. There are a lot of examples of things they did. One that we're very interested in is the 20/20 plan where, if you conserve 20% of your energy, you get a further reduction of 20%. It's an incentive. Education by itself: it's all very well to tell people not to barbecue, to eat take-out food, to pray, all of those things, but we well know from experience that you've got to offer these incentives.

My question is very simple: have you done any kind of analysis of that? Are you planning on bringing it in here?

Hon Mr Baird: In all seriousness, I agree with you. Conservation has to be an important part. I guess it becomes difficult to set a baseline for what would qualify as a reduction of 20%. You may have a family which has become larger. It's very difficult to establish a baseline.

Ms Churley: But you agree that a study would be good, because they certainly have done it in other jurisdictions. There may be difficulties, but looking at it—

Hon Mr Baird: I think there are a number of initiatives. I think the principal one where we would get a huge benefit—a market mechanism, which I think you'd like—is an interval meter. We didn't have this in Ontario. We never had widespread use of interval meters in residential customers, but that would give a reward to people. So if I, as I do, have my dishwasher come on on a timer in the middle of the night, I would get two-cent power, as opposed to turning it on at 7 o'clock, where it might be six cents or eight cents. Not only would I not have to pay a high price, but I would get a lower price. I think that's the direction we want to go in.

We're going to be amending the Ontario building code to require those to be installed in all homes. I'd like to reduce the threshold from one megawatt to maybe even as low as 250,000 kilowatt hours for commercial and industrial sites. One of the ideas I got at a round table that Mr O'Toole hosted in his constituency was, could we even require that an interval meter be installed in resale homes? I think that does exactly what you want. It rewards people for shifting their load.

Ms Churley: Yes, obviously you would agree that we're in a crisis situation here and that what we have to do—it's too little, too late now, given the situation we're in—is implement really aggressive targets and carrot-and-stick approaches.

Hon Mr Baird: I think the carrot and stick would be an interval meter. It would reward people for good behaviour and cost them more for bad behaviour.

Ms Churley: You have to go beyond that. Would you be willing, since you haven't done a comprehensive

study of, let's say, California, but there are programs in parts of Europe as well—in fact, if you look at and study the alternative fuels recommendations and report, a lot of those recommendations are also in there which have not been acted on. Would you agree to do a comprehensive study of the existing programs?

Hon Mr Baird: I'm prepared to look at any conservation idea. I think it's a good idea. I think it's got to be an important part of our strategy. Load response, demand-side management, conservation, efficiency: those four things I think can play a huge role in the future. It's good for environmental reasons, notwithstanding energy reasons.

Ms Churley: Absolutely. It's something I've been interested in for environmental reasons for years. At city hall I started the Energy Efficiency Office, which grew into the atmospheric fund. It's something we could look at here as well.

Hon Mr Baird: I agree with you. I think we can. One of the things we'll be doing is appointing the task force. We'll be doing that in the next little while. We've recruited some really phenomenal people to serve on that that I think you'd be pleased with.

Ms Churley: Do you know yet who's going to be on it?

Hon Mr Baird: Yes.

Ms Churley: Can you give me names at this point?

Hon Mr Baird: It hasn't been announced yet.

Ms Churley: Some environmental representatives?

Hon Mr Baird: There are some people whom I think you'd be pleased with.

Ms Churley: Good.

Hon Mr Baird: The thing about the conservation strategy: I think public education is important; I think it has its role; I think it can be successful. If we think we're going to put—a communications campaign ain't going to be it. I agree with your assertion that there's got to be a bit of a carrot and stick there. You can't just hope that people will do the right thing. That's why I think with interval meters we need to really be aggressive and set goals about how many households we want to see. If we could get 10% of homes on interval meters, we could shave a lot of the peaks off. There are a lot of really exciting things that have been done.

Ms Churley: But all of the retrofit—for instance, the city of Toronto has a program. All of the pieces have to be done.

I just wanted to ask you if you agree, though, with Energy Minister Wilson when he was minister. He's quoted here as saying that “the private sector asked us to get out of large-scale government conservation programs.” Those efforts “may have made the odd person feel good, but they had absolutely no effect.”

He was saying today in an answer, if you could call it an answer, to my grilling of the minister about barbecues—

Hon Mr Baird: You grilled him and he got riled up.

Ms Churley: I grilled him good. I think he's trying to indicate that our programs were not effective. But leaving

that aside, his opinion of whether or not ours were effective, I think all conservation programs are effective and we need to build on them. But I'm really disturbed by that statement that the private sector asked him as the energy minister to get out of—

Hon Mr Baird: I don't know the context or what the conversations were.

Ms Churley: I have it here. But would you agree?

Hon Mr Baird: In all honesty, Howard Hampton said, “Conservation alone as an energy-saving strategy has limited usefulness,” page 143.

Ms Churley: But would you agree with his—

Hon Mr Baird: I agree that conservation is important. I embrace conservation.

Ms Churley: But did the government step back from conservation when Wilson was the minister because of this? I find that very wrong.

Hon Mr Baird: I can't speak to that. I can tell you, in all honesty, I believe in conservation. I believe in energy efficiency. I believe in demand-side management, and I believe in price response. I think all four of those should be the first option, before new generation.

I know you've spoken in the House quite often about this, and I have voted for some of your private members' bills on environmental issues. I think we can do a lot more in this regard. I just think too often some of the campaigns we've seen in the past in Ontario have been hoping for people's goodwill. It's worthwhile to ask for that, and I think it can have results, but that alone is not a conservation strategy.

Ms Churley: Exactly. That's why I'm asking today about a study being done on all of the others.

How much time do I have?

Hon Mr Baird: I don't know whether I'm going to study California.

The Acting Chair: You have five minutes left; six minutes actually.

Ms Churley: I wanted to move, on behalf of some of my colleagues from across the province, to the impact on large non-residential users in the province. Stats Canada says that from May 1, 2002, to February 2003 the price of power for large non-residential users went up by 75%. It dipped to only about a 35% increase by May of this year. I think you're going to agree with me on this. It's surely on its way up again, given the explosion in prices in the past few days.

As you know, there have been substantive job losses in southern Ontario, and we're hearing a lot about that, especially in the resource industries in northern Ontario, which we've repeatedly pointed out in the Legislature. Wawa, in particular, has been hit very hard—

Hon Mr Baird: I appreciated the MPP of Wawa congratulating me for working with him on that.

Ms Churley: —by the fact that there are job losses due to high hydro prices.

Hon Mr Baird: I don't know what the StatsCan report was. That covers Ontario and the whole country. I do know that with the market power mitigation agreement now being paid out quarterly and retroactively, the

75% number in Ontario wouldn't be the case. If you look at the real cost of electricity for consumers over 250,000 who are not under the 4.3-cent cap, it would probably be in the range of five or 5.1 cents when you take in the market power mitigation agreement. That's important to note.

In fact, in the last few days, yes, it's been hot. In the month of June, I suspect we're below the 4.3 cents for a weighted average. Actually, June has been the best month since we announced the action plan for the price of electricity. The price is down. This is the best month we've had. That fund is probably going to make money this month.

Ms Churley: I'm interested in your thoughts on this, but again I'm always interested in—

Hon Mr Baird: That Stats Can, would that be natural gas as well or does that just include electricity?

Ms Churley: I think it's just including electricity. I'd have to check that, but I'm pretty sure—

Hon Mr Baird: Why don't you check that. That would be good.

Ms Churley: Yes, I'll check it. It's confirmed: Fred Gloger. Once again, for the record, I was right on that.

Hon Mr Baird: Confirmed by Fred.

Ms Churley: But what I wanted to check with you—I like studies and I'm interested in your opinion—

Hon Mr Baird: We like action.

Ms Churley: I want action, but I also want information. I'm wondering if the government has done any studies whatsoever in tracking the job loss and the impact on job loss due to the high hydro prices on those particular industries. It's fairly easy to track which ones. We've got all kinds of information on that, but have you done any information-gathering on that?

1740

Hon Mr Baird: I'd refer you to my colleague the Minister of Enterprise, Opportunity and Innovation.

You mentioned Wawa; there's one company which has been cited there. We have softwood lumber, a huge challenge with our biggest trading partner on that issue, which has huge consequences, some even before that, before electricity.

Ms Churley: So there are no particular studies, as far as you know?

Hon Mr Baird: As well, the Canadian dollar soaring has had huge effects on all industries. I think it would be overly simplistic to point to one single cause for the loss of jobs. It is something that is of great concern to the Premier, to the Minister of Natural Resources, the Minister of Northern Development and Mines and me. We worked well with folks up in Wawa to come up with a good solution there.

Ms Churley: I wanted to actually come back to a quick question on Beck. You said, "If it's economically feasible." What kinds of studies are you doing around that, and what does that mean to you in terms of economic feasibility?

Hon Mr Baird: We put out an RFP to have an independent study done—I know you like studies—on

the feasibility of building a third generating station there. I think the things we looked at were the capital costs and their relation to the output cost. I'm sure it could be done, but it would have been so expensive that it would cost 12 cents a kilowatt hour, on average, as opposed to the much cheaper Beck 1 and 2. They were built, obviously, at different times, when labour rates—

Ms Churley: When will that study be done?

Hon Mr Baird: November, and we announced that publicly, so it's on our Web site.

Ms Churley: Yes, I remember that. Thank you.

The Acting Chair: We now have a half-hour which can be shared in either ministerial responses or by the government caucus members. Who would like to start it off?

Mr Mazzilli: I'll start.

Thank you very much for appearing, Minister. We hear a lot about conservation and we've heard this on the environment also. We hear about reduction, yet people leave this committee, go down to the cafeteria and buy things that are packaged in things that go into landfill sites. So we talk about conservation or reduction, yet no one seems serious about it. I buy lunch packages for my kids that you would not have seen 20 years ago—cookies in a package of two and so on. This has a lot to do with the environment; we talk about it but we're not serious about it.

I heard the leader of the official opposition questioning you on conservation, yet I'm wondering, has he tabled anything with the committee showing that he's making a serious commitment to conservation to you?

Hon Mr Baird: Not to me. One of the things I think we try to do with the action plan is to have government become a leader in this. I won't say that we're faultless. Earlier today, for example, Minister Tsubouchi issued a directive for all government offices to take enhanced conservation measures particularly with the high heat. I met very briefly this morning with the president of the Ontario Realty Corp, underlining the government's desire to be a leader on that. I've written to the Clerk and raised my concern with him that the Legislature as well as the government should try to be. There was one day, for example, I think it was in the wintertime, a particularly frigid evening, and all the lights were on outside, lighting this building up, and we had a power warning out. So I think the Legislature can as well. The Clerk responded very well and was very interested in participating. We've obviously given a directive to the Ontario Energy Board on the issue. So I think we can do a lot more.

Mr Mazzilli: And I think that point is well taken, except that the last time we were in this committee—my understanding of the consumption in the province is that a third is industrial-based, a third commercial-based and a third residential use. I suspect the commercial base is open through the daytime, and there are probably some things they can do to reduce consumption, but probably not to the extent that the residential base has at their disposal. And of course the industrial base can take some actions, but they have to keep the plants going. So I

suspect if we're going to get into a serious conversation about reduction—and I don't discount the two thirds, the commercial and industrial, because that needs to take place, but the residential component has to be tackled. What I find, whether the discussion is landfill sites or energy conservation, is that there are a lot of people who say, "Do as I say, not as I do," meaning that we're all accustomed to throwing away things that we should not, we're all accustomed to running air conditioning at our pleasure, for our own comfort. So I suspect you're going to have some real difficulties when it comes to conservation, and I suspect you're going to have to take some aggressive measures to educate the public in that manner.

Hon Mr Baird: I agree with you. I think we can do conservation, efficiency, demand-side management on a lot of the commercial-industrial. I think it would have an effect and I think it's worthwhile. I think where you see the huge peaks, as you correctly pointed out, is on the residential side. You can literally see the electricity usage in the province of Ontario begin, almost like clockwork, to climb just before 6 am. It rises to a height at about 9 am, begins to go down, then rises up over noon and then as of 3 o'clock begins a steady climb up through to the early evening hours and then down after 9 or 11 o'clock. So if we wanted to shave the peaks off, the best bang for the buck would be with residential customers. If we could get everyone in the province to turn their dishwasher on in off-peak hours and do their washing in off-peak hours, that would have a huge consequence. Sixty-two per cent of the 4.3 million Ontario households have some kind of air conditioning. That didn't exist years ago.

Mr Mazzilli: I understand that, Minister. It's good that people can turn their dishwashers on at different times and stuff, but I know, just from friends of mine, that people are putting swimming pools in their backyards in record numbers this year.

Mr Gerretsen: You've got the wrong friends, wealthy Tory friends.

Mr Mazzilli: No, no. I know a record number of people who are putting in swimming pools. It doesn't matter what time you turn the dishwasher on; if you didn't have a swimming pool last year and you have one this year, you're going to use a lot more energy. I suspect you've got a real challenge as far as consumption goes. I'll leave it at that; I'm being told that my time is up.

Hon Mr Baird: If I could respond, a smart interval meter could do a lot. If you could have an interval meter that would simply turn your hot water tank off when the tank reached six cents, could turn a pool off—I don't have one—when—

Mr Mazzilli: Dalton McGuinty is going to raise taxes, so no one will be able to afford swimming pools. With that, I will pass it on to my good friend Mr Miller.

Mr Norm Miller (Parry Sound-Muskoka): Actually, I'll follow up on the interval meter; we can continue talking about that a little bit. In the Parry Sound area a few years ago a lot of people put in thermal storage units. They're small units that are electric. They run through

the night; they draw their power during the night. I had some constituents complaining to me that they'd made investment in these units but now, because of the fixed price, it's no longer a benefit to them.

Hon Mr Baird: They can go off the 4.3 cents if they have an interval meter and they choose to do so. They have to sign to go off it, but they're eligible to go off that if they think they can do better than the 4.3 cents.

Mr Miller: I believe they also had a system set up whereby their hot water heaters would be on the whole night and then shut off during the day. They were quite happy with the system; it's just that the incentive to do that is not as great now that we're on a fixed price.

I want to raise some issues that have come from my constituency, basically from questions coming into—

Hon Mr Baird: If I can, there's such a small percentage of people who have interval meters in their homes to be able to take advantage of that; it's less than 1%.

Mr Miller: Are we doing things to try to encourage more interval meters? You said you're in favour of demand management. It seems to me that makes a lot of sense.

Hon Mr Baird: As Ms Churley said, it becomes a carrot and a stick. We want to mandate it on new homes. We're looking at various options on resale homes. We want to lower the threshold from a megawatt down. That's the direction we're going in. You can get them now for \$300; even just a few years ago they would have been \$2,200. The price of them is falling dramatically. You can get them, I think, for \$300, which will pay for itself in a year, easily.

1750

Mr Miller: Looking into the future, beyond 2006, I had a constituent actually making suggestions for how we get off the price cap going into the future and talking about a possible phase-in process over a period of years where an increasing percentage of the cost of electricity would be market-based, while the rest would remain capped. For example, for a five-year period, every year a 20% segment of the price of electricity would be dictated by market prices, eventually arriving at full market prices. So there would be sort of a gentle transition to market prices.

Are we looking beyond 2006 to see how we might move toward—

Hon Mr Baird: I'll certainly take that suggestion under advisement. One of the things that I asked—

Interjection.

Hon Mr Baird: Well, we're all citizens and environmentalists.

Mr John O'Toole (Durham): That's completely uncalled-for.

Hon Mr Baird: One of the things I've asked Howard Wetston to do as the new chair of the Ontario Energy Board is to look at the policy coming out of 2006. He is to work with consumer groups, environmentalists, people who work on the demand-side management area to look

at that and report back in 2004. So that will be one of the first things that Mr Weston will be doing.

Mr Miller: It was a suggestion made by a constituent. It very well might make sense to have some sort of gentle transition to the market.

Mr O'Toole: I just had a little question.

Mr Miller: A little question, Mr O'Toole? That's not possible.

I see at this time that our alternative energy generation is, I believe, if this thing I'm looking at is correct, 0.8% of total generation for landfill, gas, wind, biomass. Do we have wind generation coming on-stream in the next year or so?

Hon Mr Baird: There's a huge number of emerging green power companies out there. There's one that's done a lot of work on Lake Erie, putting a lot of wind on-line there. Significant work has been done on Wolfe Island, I think, in Kingston.

Mr Gerretsen: How many megawatts?

Hon Mr Baird: They're looking at as many as eight, I think—and in Prince Edward county and along Lake Erie. With the renewable portfolio standard and the government's commitment of 20%, I think that will do a huge amount to kick-start, to get contracts so these small businesses, by and large emerging companies, can get financing. We'll be coming forward very shortly with that. Steve Gilchrist, the commissioner, has done a huge amount of work with that.

I can talk about Superior Wind Energy, in the southwestern part of Ontario, which is looking at 100 megawatts. The Port Albert wind farm in the southwest is looking at 50. Superior Wind Energy in the southwest is looking at a number of projects at 100 and 200 megawatts apiece. Superior is also looking at the northeastern part of the province, as many as 200 megawatts. So there is some substantial interest in wind particularly. It's not baseload, but I think it can be very positive.

The one wind turbine on Lake Ontario, where a co-op worked together with Toronto Hydro on that initiative, has probably done more for education about wind energy than anything. We've been very supportive. The Ontario Trillium Foundation gave them a significant grant to try to promote wind energy around the province, and I was pleased to do the cheque presentation with them to show my support for their efforts.

Mr Miller: Good. And I know Ms Churley doesn't like this, but what about generation from landfill sites, incineration? I certainly have lots of my constituents asking me about that, and I happen to think it makes a lot of sense. I happen to feel that incineration makes a lot more sense—

Mr O'Toole: Clean incineration.

Interjection.

Mr Miller:—than burying garbage in the ground and poisoning one of our most precious assets, which is water.

Ms Churley: I wouldn't go there if I were you.

Hon Mr Baird: From landfills, we could do a lot better with capping the methane gas.

Ms Churley: That's different. We all agree with that.

Hon Mr Baird: That's why I'm saying I'd rather look at that exciting initiative of capping the methane.

Ms Churley: Yes, let's look at that.

Hon Mr Baird: Because it's a double win. Not only do you get energy from it, but you reduce the CO₂ emissions going into the environment.

Ms Churley: Exactly. This is good.

Hon Mr Baird: It's a good thing.

Ms Churley: But not burning garbage.

Mr Miller: Some other constituent concerns that I've heard about include certainly the bills, and I know we've been dealing with some aspects of the energy bills. A lot of people find them very confusing. They also, I know, with the switch from the old bills to the new ones, feel that we've added a whole bunch of new charges. Have we added a bunch of new charges to the bills?

Hon Mr Baird: The debt retirement charge is obviously there. I think what we've given customers is perhaps too much information. We've gone from giving them not enough to giving them too much. Mr Badali looked at this issue and came up with a great report that we're implementing now. Hamilton Hydro is doing a pilot. We're at the advanced stages of looking at how they're going to do that.

It can be an opportunity as well with the billing to talk about the—one thing that Toronto Hydro does is to show you your historical pattern of consumption. Most people have no idea how many megawatts they would use in their home. But if you can show the change from this year or last year, you can see what your performance is like. It can make you more conscious.

There's a great program in Woodstock, where they have, I think, about 20% of the folks on it, where you buy an energy card and you have a meter in your house. You go and buy energy like you would any other card, like a phone card. You swipe it through and that gives you \$50 worth. What they've noticed is people have reduced their electricity by over 14% because they can see it in their house and they know how much they're using. It's like filling up your car with gas. It's a completely voluntary program that some folks in Woodstock seem to be quite excited about.

Mr Gerretsen: Why aren't you promoting this?

Hon Mr Baird: I said it's an exciting idea that's one of—

Interjections.

Hon Mr Baird: There could be people watching.

Mr Miller: It would be my feeling that if we eventually make the transition back to the market, the market naturally acts as a stimulus to conserve and it also acts as a stimulus to new producers coming on the market.

Hon Mr Baird: It does and it doesn't. I think the challenge we have is that when you have prices go high, people don't really find out until six weeks later and they pay a weighted cost average. So people who are good actors and do a lot to conserve still pay the weighted average. They get a benefit but it's not the increased

benefit that you would get on interval meters in residential homes. People are punished if they use electricity at the wrong time and they're rewarded if they use it at the right time. In some respects, if we could just shift the load, we could do a huge amount to solve our energy problems.

Mr Miller: I know I'm running out of time, but another issue that has certainly come up with a number of constituents in my riding of Parry Sound-Muskoka is the security deposit. I think it's a new policy of Hydro One, I believe as of last year. I've had businesses, in particular, that aren't happy about it and think it's unfair and challenging for them in some cases to have to put up the capital. It can be a substantial amount of money. The security deposit, I think, is like two and a half months of their hydro bill. Is that being reviewed at all?

Hon Mr Baird: In response to a letter from the Canadian Federation of Independent Business and the Electricity Distributors Association, my predecessor, Chris Stockwell, advised that the Ontario Energy Board would be setting up a working group to help discuss and resolve this issue. I think you want to be fair and reasonable on one side. On the other side, though, the issue of bankruptcy and non-payment covers every retail industry. I hate to see someone who works hard, plays by the rules and pays their hydro bill have to pay, through higher energy costs, the costs of people who don't pay. Obviously a security deposit is one way to protect folks. I don't think it's something that people are going to warmly embrace, but earlier this month the OEB released for consultation some proposed changes to their distribution system code and the retail settlement code to try to address this. The most significant change is that deposits would be returned once the customer has established a good payment history, which is five years for a small commercial or seven years for a large commercial. That's some of the things, but I think that we've certainly provided through the legislation, Bill 210, regulations governing the amount of deposits that can be charged by distributors as a condition of licence.

Mr Miller: And it's different—the proposed change to the code is one year for consumer, five years for a small business, seven years for a large business. I'm not quite sure I understand the logic why a large business would be—

Hon Mr Baird: Because it would be a much greater amount of money.

Mr Miller: More risk, although I guess it's all—

Hon Mr Baird: It's more dollars, more use of electricity.

Mr Miller: OK.

Hon Mr Baird: I was hoping to just make a statement to the Chair, if I could.

Mr Miller: Yes, go ahead.

Hon Mr Baird: This is only the first two hours of my 15 hours. I would certainly be willing to have the three

party House leaders discuss coming back and finishing the remaining 13 hours if the other House leaders—

The Chair: You mean to have the committee sit during the summer. Is that correct?

Hon Mr Baird: If the other House leaders would like to discuss and negotiate that, we would certainly be happy to discuss that.

The Chair: Well, it's been raised. We can discuss it now, if you wish, which is the government time.

Ms Churley: No. Don't we stop at 6?

The Chair: We do stop at 6. We have one minute by our official clock here. I just want to stress it is the government minister's time, at this moment.

Ms Churley: OK, I have a point of order before we leave.

The Chair: Point of order, then. It's back to the government for the last minute, and then—

Mr John O'Toole (Durham): I just want to commend the minister. I think in the passing of Bill 23, it's the very first significant step to the Ontario Energy Board's role of protecting consumers. I commend you and your ministry staff for that.

The other part is the work being done, the follow-up from the alternative fuels committee that Steve Gilchrist is doing. I think you're on the right track there. The voice of conservation has to be part of the solution; no question of that. Having a riding with a lot of nuclear interest, I know that we have to pay close attention to the retubing and efficiencies in those plants. I'm happy to say that I think Darlington is well on the way to improving their efficiency.

Hon Mr Baird: They got a five-year licence renewal.

The Chair: Mr O'Toole, I'm sorry to have to interrupt. I have to ask a question of the government party: did you wish this to be the end of your half-hour segment, or did you want to pick up your half-hour segment when you next get an opportunity?

Mr Miller: We'll pick it up.

The Chair: The government has indicated that. I have time for a very, very brief point of order.

Ms Churley: My point of order is I believe that the Minister of Energy has borrowed a copy of Howard Hampton's book from the library.

Mr Gerretsen: For shame.

Ms Churley: For shame. Why don't you go buy one? I'm sure Howard Hampton would be happy to sign it for you.

Hon Mr Baird: I asked Howard to get me one for free. He said he would, and I haven't got it.

Ms Churley: For free?

Hon Mr Baird: He said he would autograph it.

The Chair: On that important point of order, this committee stands adjourned.

The committee adjourned at 1802.

CONTENTS

Wednesday 25 June 2003

Ministry of Energy	E-145
Hon John R. Baird, Minister of Energy	

STANDING COMMITTEE ON ESTIMATES

Chair / Président

Mr Gerard Kennedy (Parkdale-High Park L)

Vice-Chair / Vice-Président

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gilles Bisson (Timmins-James Bay / Timmins-Baie James ND)

Mr Ted Chudleigh (Halton PC)

Mr Alvin Curling (Scarborough-Rouge River L)

Mr Gerard Kennedy (Parkdale-High Park L)

Mr Frank Mazzilli (London-Fanshawe PC)

Mr Norm Miller (Parry Sound-Muskoka PC)

Mr John O'Toole (Durham PC)

Mr Steve Peters (Elgin-Middlesex-London L)

Substitutions / Membres remplaçants

Mr Michael Bryant (St Paul's L)

Ms Marilyn Churley (Toronto-Danforth ND)

Mr John Gerretsen (Kingston and the Islands / Kingston et les Îles L)

Clerk / Greffier

Mr Trevor Day

Staff / Personnel

Ms Anne Marzalik, research officer,
Research and Information Services

